

**TOWNSHIP OF COMMERCIAL
COUNTY OF CUMBERLAND**

REPORT OF AUDIT

FOR THE YEAR 2022

TOWNSHIP OF COMMERCIAL
TABLE OF CONTENTS

<u>Exhibit No.</u>		<u>Page No.</u>
 <u>PART I</u>		
	Independent Auditor's Report	2
	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	6
 <u>CURRENT FUND</u>		
A	Statements of Assets, Liabilities, Reserves and Fund Balances-- Regulatory Basis	8
A-1	Statements of Operations and Changes in Fund Balance-- Regulatory Basis	10
A-2	Statement of Revenues--Regulatory Basis	11
A-3	Statement of Expenditures--Regulatory Basis	15
 <u>TRUST FUND</u>		
B	Statements of Assets, Liabilities and Reserves-- Regulatory Basis	21
 <u>GENERAL CAPITAL FUND</u>		
C	Statements of Assets, Liabilities, Reserves and Fund Balances-- Regulatory Basis	22
 <u>GENERAL FIXED ASSET GROUP OF ACCOUNTS</u>		
D	Statement of Changes General Fixed Asset Group of Accounts-- Regulatory Basis	23
	Notes to Financial Statements	24
 <u>SUPPLEMENTAL EXHIBITS</u>		
<u>CURRENT FUND</u>		
SA-1	Statement of Current Cash--Chief Financial Officer	56
SA-2	Statement of Current Cash--Collector	57
SA-3	Statement of Current Cash--Township Clerk	58

TOWNSHIP OF COMMERCIAL
TABLE OF CONTENTS (CONT'D)

Exhibit No.**Page No****SUPPLEMENTAL EXHIBITS (CONT'D)****CURRENT FUND (CONT'D)**

SA-4	Statement of Taxes Receivable and Analysis of Property Tax Levy	59
SA-5	Statement of Tax Title Liens	60
SA-6	Statement of Property Acquired for Taxes (At Assessed Valuation)	60
SA-7	Statement of Due from State of New Jersey--Veterans and Senior Citizens Deductions	61
SA-8	Statement of Revenue Accounts Receivable	62
SA-9	Statement of Appropriation Reserves	63
SA-10	Statement of Prepaid Taxes	65
SA-11	Statement of Tax Overpayments	65
SA-12	Statement of County Taxes Payable	66
SA-13	Statement of Amount Due to County For Added Taxes	66
SA-14	Statement of Local School District Tax	67
SA-15	Statement of Due to Fire Districts	68
SA-16	Statement of Due to State of New Jersey--Marriage License Fees	68
SA-17	Statement of Due State of New Jersey--Uniform Construction Code – State Training Fees	69
SA-18	Statement of Due from/to Federal, State and Other Grant Fund	70
SA-19	Federal, State and Other Grant Fund--Statement to General Capital Fund	70
SA-20	Federal, State and Other Grant Fund--Statement of Federal, State and Other Grants Receivable	71
SA-21	Federal, State and Other Grant Fund--Statement of Reserve for Federal, State and Other Grants--Unappropriated	72
SA-22	Federal, State and Other Grant Fund--Statement of Reserve for Federal, State and Other Grants--Appropriated	73

TRUST FUND

SB-1	Statement of Trust Cash--Chief Financial Officer	76
SB-2	Trust Other Fund--Statement of Trust Cash--Tax Collector	77
SB-3	Animal Control Fund--Statement of to Current Fund	78
SB-4	Animal Control Fund--Statement of Due to State of New Jersey--Department of Health	78
SB-5	Animal Control Fund--Statement of Reserve for Animal Control Fund Expenditures	79
SB-6	Trust Other Fund--Statement of Due from Current Fund	80
SB-7	Trust Other Fund--Statement of Due to State / Agent	81
SB-8	Trust Other Fund--Statement of Miscellaneous Trust Reserves and Liabilities	82

TOWNSHIP OF COMMERCIAL
TABLE OF CONTENTS (CONT'D)

<u>Exhibit No.</u>		<u>Page No</u>
	<u>GENERAL CAPITAL FUND</u>	
SC-1	Analysis of General Capital Cash	84
SC-2	Statement of Due from Current Fund	85
SC-3	Statement of Due from Federal, State and Other Grant Fund	85
SC-4	Statement of Deferred Charges to Future Taxation--Unfunded	86
SC-5	Statement of Improvement Authorizations	87
SC-6	Statement of Capital Improvement Fund	88
SC-7	Statement of Reserve for Equipment	88
SC-8	Statement of Bond Anticipation Notes	89
SC-9	Statement of Bonds and Notes Authorized but Not Issued	90
	 <u>PART II</u>	
	Schedule of Findings and Recommendations	
	Schedule of Financial Statement Findings	92
	Summary Schedule of Prior Year Audit Findings and Questioned Costs as Prepared by Management	93
	 OFFICIALS IN OFFICE AND SURETY BONDS	94
	 APPRECIATION	95

TOWNSHIP OF COMMERCIAL
PART I
REPORT OF AUDIT OF FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2022

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Commercial
Port Norris, New Jersey 08349

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying statements of assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Commercial, in the County of Cumberland, State of New Jersey, as of December 31, 2022 and 2021, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis, statement of expenditures - regulatory basis, and statement of general fixed asset group of accounts - regulatory basis for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements as listed in the table of contents.

Unmodified Opinions on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the assets, liabilities, reserves and fund balance - regulatory basis of the various funds of the Township of Commercial, in the County of Cumberland, State of New Jersey, as of December 31, 2022 and 2021, and the results of its operations and changes in fund balance - regulatory basis of such funds for the years then ended, and the revenues - regulatory basis and expenditures - regulatory basis of the various funds, and general fixed asset group of accounts - regulatory basis, for the year ended December 31, 2022, in conformity with accounting principles and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, as described in note 1.

Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America* section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the Township of Commercial, in the County of Cumberland, State of New Jersey, as of December 31, 2022 and 2021, or the results of its operations and changes in fund balance for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions on Regulatory Basis of Accounting

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in compliance with audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Township and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on Accounting Principles Generally Accepted in the United States of America

As described in note 1 to the financial statements, the financial statements are prepared by the Township on the basis of the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the State of New Jersey. The effects on the financial statements of the variances between the regulatory basis of accounting described in note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Emphasis of Matter

Change in Accounting Principle

As discussed in note 1 to the financial statements, during the year ended December 31, 2022, the Township adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. The adoption of this new accounting principle resulted in material note disclosure. As a result of the regulatory basis of accounting, described in the previous paragraph, the implementation of this Statement only required financial statement disclosures. Our opinions are not modified with respect to this matter.

Consistency of Financial Statements

Because of the implementation of GASB Statement No. 87, the Township has determined that lease agreements in which they are the lessor have now been disclosed in accordance with the Statement (note 5). Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Township's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

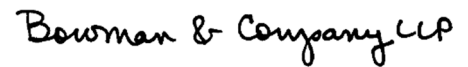
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements. The accompanying supplemental statements and schedules presented for the various funds, as listed in the table of contents, are presented for purposes of additional analysis as required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, and are not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplemental statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 21, 2023 on our consideration of the Township of Commercial's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Township of Commercial's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Township of Commercial's internal control over financial reporting and compliance.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 21, 2023

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the Township Committee
Township of Commercial
Port Norris, New Jersey 08349

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial statement audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, of the Township of Commercial, in the County of Cumberland, State of New Jersey, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Township's basic financial statements, and have issued our report thereon dated June 21, 2023. That report indicated that the Township of Commercial's financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America, but were prepared on a regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. Our report on the financial statements included an emphasis of matter paragraph describing the adoption of a new accounting principle and an additional paragraph on the consistency of financial statements resulting from the new accounting principle.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Township's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

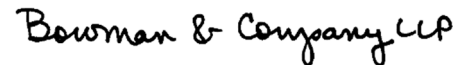
Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Township's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,



BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants



Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant

Voorhees, New Jersey
June 21, 2023

TOWNSHIP OF COMMERCIAL
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2022 and 2021

	Ref.	2022	2021
Assets:			
Regular Fund:			
Cash - Treasurer	SA-1	\$ 3,101,706.52	\$ 1,798,625.89
Cash - Tax Collector	SA-2	140,660.68	189,793.64
Cash - Clerk	SA-3	6,291.90	8,738.19
Cash - Change Fund	A	950.00	950.00
Due From State of New Jersey - Veterans and Senior Citizens Deductions	SA-7	9,075.20	9,192.32
		<u>3,258,684.30</u>	<u>2,007,300.04</u>
Receivables and Other Assets with Full Reserves:			
Delinquent Property Taxes Receivable	SA-4	371,009.12	326,493.07
Tax Title Liens Receivable	SA-5	1,241,103.33	1,091,106.06
Property Acquired / Assessed Valuation	SA-6	1,961,100.00	2,125,300.00
Due from Federal, State and Other Grants Fund	SA-18	621,737.09	621,737.09
		<u>3,573,212.45</u>	<u>4,164,636.22</u>
		<u>6,831,896.75</u>	<u>6,171,936.26</u>
Federal, State and Other Grant Fund:			
Grants Receivable	SA-20	2,103,216.48	2,694,508.15
Due from Current Fund	SA-18	650,485.75	650,485.75
		<u>2,753,702.23</u>	<u>2,694,508.15</u>
		<u>\$ 9,585,598.98</u>	<u>\$ 8,866,444.41</u>

(Continued)

TOWNSHIP OF COMMERCIAL
CURRENT FUND

Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2022 and 2021

	Ref.	2022	2021
Liabilities, Reserves and Fund Balance:			
Regular Fund:			
Appropriation Reserves	A-3;SA-9	\$ 273,710.07	\$ 290,531.57
Reserve for Encumbrances	A-3;SA-9	84,159.13	121,755.65
Accounts Payable	SA-9	10,485.50	
Prepaid Taxes	SA-10	172,745.85	163,445.48
Tax Overpayment	SA-11		2,465.66
Due to County for Added and Omitted Taxes	SA-13	5,806.07	5,368.96
Due to Local School District	SA-14	359,098.00	341,535.00
Due to State of New Jersey:			
Marriage Fees	SA-16		200.00
Uniform Construction Code Fees	SA-17	522.00	901.00
Reserve for Municipal Relief Fund Aid	SA-1	24,058.66	
Due to Federal, State and Other Grant Fund	SA-18	650,485.75	
Due to Trust Other Fund	SB-6	61,935.72	41,115.38
Due to General Capital Fund	SC-2	313,696.66	328,249.50
		<u>1,956,703.41</u>	<u>1,295,568.20</u>
Reserves for Receivables	A	3,573,212.45	4,164,636.22
Fund Balance	A-1	<u>1,301,980.89</u>	<u>711,731.84</u>
		<u>6,831,896.75</u>	<u>6,171,936.26</u>
Federal, State and Other Grant Fund:			
Due to Current Fund	SA-18		621,737.09
Due to General Capital Fund	SA-19	3,500.00	
Reserves for Federal and State Grants:			
Unappropriated	SA-21	306,150.61	257,275.30
Appropriated	SA-22	1,976,462.17	1,665,862.18
Reserve for Encumbrances	SA-22	467,589.45	149,633.58
		<u>2,753,702.23</u>	<u>2,694,508.15</u>
		<u>\$ 9,585,598.98</u>	<u>\$ 8,866,444.41</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF COMMERCIAL
CURRENT FUND

Statements of Operations and Changes in Fund Balance - Regulatory Basis
For the Years Ended December 31, 2022 and 2021

	2022	2021
Revenue and Other Income Realized:		
Fund Balance Utilized	\$ 400,000.00	\$ 665,000.00
Miscellaneous Revenues Anticipated	3,389,526.74	2,690,526.97
Receipts from Delinquent Taxes	346,829.01	439,667.32
Receipts from Current Taxes	7,334,848.65	7,256,312.23
Non-budget Revenues	39,728.91	22,691.31
Other Credits to Income:		
Unexpended Balance of Appropriation Reserves	271,593.04	264,431.57
Interfund Returned	621,737.09	
Cancellation of Federal, State and Other Grants Appropriated	141,577.63	
Cancellation of Tax Overpayment	1,285.66	
Cancellation of Accounts Payable		3,235.20
	12,547,126.73	11,341,864.60
Expenditures:		
Budget and Emergency Appropriations:		
Appropriations Within "CAPS":		
Salaries and Wages	841,759.00	831,200.00
Other Expenses	1,616,846.00	1,535,191.00
Deferred Charges and Statutory Expenditures	164,921.00	148,277.00
Appropriations Excluded from "CAPS":		
Salaries and Wages	12,000.00	10,000.00
Other Expenses	2,382,786.24	1,725,759.35
Capital Improvements	22,600.00	25,000.00
Municipal Debt Service	178,838.66	194,694.49
Transferred to Boards of Education	6,547.00	6,522.00
County Taxes	2,956,317.06	3,003,565.97
Due County for Added and Omitted Taxes	5,806.07	5,368.96
Local District School Tax	2,301,487.00	2,266,386.00
Special District Taxes	924,905.00	914,328.00
Senior Citizen and Veterans Deduction Disallowed	4,000.00	1,750.00
Cancellation of Federal, State and Other Grants Receivable	138,064.65	
Reserve Created:		
Interfund Receivable - Federal, State and Other Grant Fund		621,737.09
	11,556,877.68	11,289,779.86
Excess in Revenues	990,249.05	52,084.74
Fund Balance January 1	711,731.84	1,324,647.10
	1,701,980.89	1,376,731.84
Decreased by:		
Utilization as Anticipated Revenue	400,000.00	665,000.00
Fund Balance December 31	\$ 1,301,980.89	\$ 711,731.84

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2022

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Fund Balance Anticipated	\$ 400,000.00	\$	\$ 400,000.00	\$
Miscellaneous Revenues:				
Fines and Costs:				
Municipal Court	17,900.00		15,472.71	(2,427.29)
Fees:				
Licenses - Alcoholic Beverages	2,450.00		2,300.00	(150.00)
Fees and Permits - Certificate of Occupancy	4,800.00		4,800.00	
Interest and Costs on Taxes	80,000.00		84,755.75	4,755.75
Interest on Investments and Deposits	2,800.00		5,231.08	2,431.08
Rental Property - NJ State Police Barrack	102,375.00		102,375.00	
Rental Property - Post Office	42,924.00		43,685.46	761.46
Salt Mining Annual Fee	34,500.00		50,106.25	15,606.25
Rental Registrations	69,000.00		60,725.00	(8,275.00)
Nextel Tower Rental	37,895.00		39,031.47	1,136.47
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	461,213.00		461,213.00	
Garden State Trust	73,093.00		73,093.00	
Uniform Construction Codes Fees	38,383.00		47,999.00	9,616.00
Public and Private Revenues Offset With Appropriations:				
Municipal Alliance on Alcoholism and Drug Abuse	4,658.00		4,658.00	
JIF EPL/CYBER Risk Management Awards	725.00		725.00	
JIF Optional Safety Budget Program	2,000.00		2,000.00	
JIF Safety Incentive Program Awards	1,500.00		1,500.00	
JIF Wellness Incentive Program	275.00		275.00	
NJDOT Municipal Aid Program - Cobb & Brown	310,000.00		310,000.00	
American Rescue Plan - Brown Street		52,400.00	52,400.00	
2022 NJDOT Freight Impact Fund:				
High and Yock Wock Road		900,000.00	900,000.00	
Mill Overlay of Main Strawberry Ave		900,000.00	900,000.00	

(Continued)

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2022

	Anticipated Budget	Special N.J.S. 40A:4-87	Realized	Excess or (Deficit)
Miscellaneous Revenues (Cont'd):				
Public and Private Revenues Offset With Appropriations (Cont'd):				
Recycling Tonnage Grants	\$ 4,145.13	\$	\$ 4,145.13	\$
Clean Communities Grant		17,447.61	17,447.61	
2022 Local Recreation Improvement Grant	50,000.00		50,000.00	
Other Special Items with Prior Written Consent:				
Cable Franchise Fees	15,040.28		15,040.28	
Reserve for Payment in Lieu of Taxes	18,548.00		18,548.00	
Trust Fund - Donations for Veterans' Park	8,000.00		8,000.00	
American Rescue Plan 2021 - Revenue Loss	114,000.00		114,000.00	
	<u>1,496,224.41</u>	<u>1,869,847.61</u>	<u>3,389,526.74</u>	<u>23,454.72</u>
Receipts from Delinquent Taxes	<u>350,000.00</u>		<u>346,829.01</u>	<u>(3,170.99)</u>
Subtotal General Revenues	2,246,224.41	1,869,847.61	4,136,355.75	20,283.73
Amount to be Raised by Taxes for Support of Municipal Budget				
Local Tax for Municipal Purposes	<u>1,672,016.63</u>		<u>1,708,124.27</u>	<u>36,107.64</u>
Budget Totals	3,918,241.04	1,869,847.61	5,844,480.02	56,391.37
Nonbudget Revenues			<u>39,728.91</u>	<u>39,728.91</u>
	<u>\$ 3,918,241.04</u>	<u>\$ 1,869,847.61</u>	<u>\$ 5,884,208.93</u>	<u>\$ 96,120.28</u>

(Continued)

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2022

Analysis of Realized Revenue:Allocation of Current Tax Collections:

Revenue from Collections	\$ 7,334,848.65
Allocated to:	
School, County, and Special District Taxes	<u>6,188,515.13</u>
Balance for Support of Municipal Budget Revenues	1,146,333.52
Add:	
Appropriation: "Reserve for Uncollected Taxes"	<u>561,790.75</u>
Amount for Support of Municipal Budget Appropriations	<u><u>\$ 1,708,124.27</u></u>

Receipts from Delinquent Taxes:

Delinquent Tax Collections	\$ 225,937.25
Tax Title Lien Collections	<u>120,891.76</u>
	<u><u>\$ 346,829.01</u></u>

Analysis of Non-Budget Revenue:

Township Clerk:

Copies	\$ 450.00
Property Lists	230.00
Site Plan	775.00
Sale of Land - Other Properties	10,200.00
Miscellaneous	20.00
Registrar	27.00
Tires	<u>646.00</u>
	\$ 12,348.00

Township Clerk:

Property Acquired for Taxes - Land Sale	12,500.00
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Revenue Accounts Receivable:

Zone Applications	2,635.00
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Due from Animal Control Fund:

Cat License Fees	174.50
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(Continued)

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Revenues - Regulatory Basis
For the Year Ended December 31, 2022

Analysis of Non-Budget Revenue (Cont'd):

Treasurer:

Senior Citizens and Veterans Administrative Fee	\$ 1,040.00
Rental of Community Center	500.00
Scrap Metal	3,550.43
Homestead Rebate Postage Refund	219.60
Road and Street Opening Fees	3,200.00
Miscellaneous	251.38
Election Polling	225.00
Registrar Fees	<u>2,986.00</u>

\$ 11,972.41

Tax Collector:

Duplicate Tax Bills	69.00
Tax Search Fees	10.00
NSF Checks	<u>20.00</u>

99.00

\$ 39,728.91

The accompanying Notes to the Financial Statements are an integral part of this statement.

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2022

	Appropriations		Paid or Charged			Unexpended
	Budget	Budget After Modification	Expended	Encumbered	Reserved	Balance Canceled
<u>OPERATIONS WITHIN "CAPS":</u>						
GENERAL GOVERNMENT FUNCTIONS:						
General Administration:						
Other Expenses	\$ 37,005.00	\$ 36,705.00	\$ 22,829.15	\$	\$ 13,875.85	\$
Mayor and Committee:						
Salaries and Wages	43,500.00	43,500.00	41,619.95		1,880.05	
Other Expenses	5,000.00	5,000.00	2,135.90	260.38	2,603.72	
Municipal Clerk:						
Salaries and Wages	128,200.00	128,200.00	120,875.23		7,324.77	
Other Expenses	22,500.00	22,500.00		10,762.07	11,737.93	
Other Expenses - American Rescue Plan 2021	25,000.00	25,000.00	22,032.21	2,967.79	0.00	
Financial Administration - Treasury:						
Salaries and Wages	42,500.00	42,500.00	41,228.56		1,271.44	
Other Expenses	11,500.00	11,500.00	8,710.62	232.33	2,557.05	
Audit Services:						
Other Expenses	34,000.00	34,000.00	34,000.00			
Data Processing Center:						
Other Expenses	40,500.00	35,500.00	20,198.88	241.94	15,059.18	
Revenue Administration - Tax Collection:						
Salaries and Wages	102,200.00	102,200.00	98,070.95		4,129.05	
Other Expenses	19,000.00	19,000.00	11,822.29	143.46	7,034.25	
Tax Title Lien Manager:						
Other Expenses	30,000.00	26,000.00	11,007.12	14,992.88		
Tax Assessment Administration:						
Salaries and Wages	23,000.00	23,000.00	22,739.98		260.02	
Other Expenses	24,300.00	24,300.00	10,095.30	7,505.50	6,699.20	
Legal Services:						
Other Expenses	70,000.00	74,000.00	67,349.08		6,650.92	
Engineering Services:						
Other Expenses	25,000.00	33,000.00	1,026.69	19,400.00	12,573.31	
Municipal Land Use Law (N.J.S.A 40:55D-1):						
Planning Board:						
Salaries and Wages	700.00	1,100.00	936.60		163.40	
Other Expenses	5,900.00	5,800.00	3,867.55	750.00	1,182.45	

(Continued)

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2022

	Appropriations		Paid or Charged			Unexpended
	Budget	Budget After Modification	Expended	Encumbered	Reserved	Balance Canceled
<u>OPERATIONS WITHIN "CAPS" (CONT'D):</u>						
SANITATION:						
Public Buildings and Grounds:						
Salary and Wages	\$ 18,000.00	\$ 18,000.00	\$ 17,528.39	\$	\$ 471.61	\$
Other Expenses	38,000.00	34,000.00	2,944.78	10,317.00	20,738.22	
Other Expenses - American Rescue Plan 2021	64,000.00	64,000.00	64,000.00			
Garbage and Trash Removal:						
Other Expenses	326,200.00	326,200.00	325,715.00		485.00	
Sanitary Landfill:						
Other Expenses:	175,000.00	175,000.00	145,422.94		29,577.06	
Sanitary Sluice and Ditch:						
Other Expenses	5,000.00	1,000.00			1,000.00	
PUBLIC SAFETY FUNCTIONS:						
Office Of Emergency Management:						
Salaries and Wages	3,600.00	3,759.00	3,759.00			
Other Expenses	4,000.00	3,841.00	2,828.52	176.25	836.23	
STREETS AND ROADS:						
Road Repairs and Maintenance:						
Salaries and Wages	327,500.00	327,500.00	307,357.85		20,142.15	
Other Expenses	57,500.00	57,500.00	16,395.31	11,680.00	29,424.69	
Other Expenses - American Rescue Plan 2021	25,000.00	25,000.00	25,000.00			
HEALTH AND HUMAN SERVICES FUNCTIONS:						
Senior Center:						
Salaries and Wages	12,000.00	14,000.00	13,374.64		625.36	
Other Expenses	3,400.00	3,400.00	2,307.21	79.70	1,013.09	
Dog Regulation:						
Other Expenses	52,400.00	52,400.00	50,024.32		2,375.68	
Environmental Commission:						
Other Expenses	1,000.00	1,000.00	882.65		117.35	
Community Food Bank:						
Other Expenses	1,500.00	1,500.00			1,500.00	
RECREATION AND EDUCATION:						
Parks and Playgrounds:						
Other Expenses	3,500.00	1,500.00			1,500.00	
Maintenance of Parks:						
Other Expenses	2,500.00	2,500.00	1,710.00		790.00	

(Continued)

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2022

	Appropriations		Paid or Charged			Unexpended
	Budget	Budget After Modification	Expended	Encumbered	Reserved	Balance Canceled
<u>OPERATIONS WITHIN "CAPS" (CONT'D):</u>						
OTHER COMMON OPERATING FUNCTIONS:						
Accumulated Leave Compensation:						
Other Expenses	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00		\$	\$
Celebration of Public Events:						
Other Expenses	3,500.00	3,500.00			3,500.00	
UTILITY EXPENSES AND BULK PURCHASES:						
Electricity	26,000.00	26,000.00	23,645.42		2,354.58	
Street Lighting	79,000.00	86,000.00	77,701.79		8,298.21	
Telephone	22,000.00	22,000.00	14,973.10		7,026.90	
Natural Gas	15,000.00	15,000.00	11,540.69	3,396.39	62.92	
Gasoline and Diesel Fuel	29,000.00	29,000.00	26,192.53		2,807.47	
Insurance:						
Liability Insurance	23,000.00	23,000.00	21,577.50		1,422.50	
Workers Compensation	45,000.00	45,000.00	44,199.50		800.50	
Group Insurance Plans for Employees	225,000.00	223,000.00	213,012.87		9,987.13	
Unemployment Insurance	22,000.00	22,000.00	22,000.00			
STATE UNIFORM CONSTRUCTION CODE:						
Construction Official:						
Salaries and Wages	64,000.00	64,000.00	57,082.75		6,917.25	
Other Expenses	5,700.00	5,700.00	173.58		5,526.42	
Housing Inspector:						
Salaries and Wages	74,000.00	74,000.00	73,890.89		109.11	
Other Expenses	5,500.00	5,500.00	1,849.95	1,173.74	2,476.31	
Total Operations Within "CAPS"	2,458,605.00	2,458,605.00	2,117,637.24	84,079.43	256,888.33	-
Detail:						
Salaries and Wages	839,200.00	841,759.00	798,464.79		43,294.21	
Other Expenses	1,619,405.00	1,616,846.00	1,319,172.45	84,079.43	213,594.12	
Total Operations Including Contingent Within "CAPS"	2,458,605.00	2,458,605.00	2,117,637.24	84,079.43	256,888.33	-

(Continued)

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2022

	Appropriations		Paid or Charged			Unexpended
	Budget	Budget After Modification	Expended	Encumbered	Reserved	Balance Canceled
<u>EXPENDITURES - MUNICIPAL WITHIN "CAPS":</u>						
STATUTORY EXPENDITURES:						
Contribution to:						
Public Employees' Retirement System of NJ	\$ 92,921.00	\$ 92,921.00	\$ 92,921.00		\$	\$
Social Security System (O.A.S.I.)	67,000.00	67,000.00	62,947.79		4,052.21	
Defined Contribution Retirement Program	5,000.00	5,000.00	3,752.32		1,247.68	
TOTAL DEFERRED CHARGES AND STATUTORY						
EXPENDITURES - MUNICIPAL WITHIN "CAPS"	164,921.00	164,921.00	159,621.11	-	5,299.89	-
TOTAL GENERAL APPROPRIATIONS FOR						
MUNICIPAL PURPOSES WITHIN "CAPS"	2,623,526.00	2,623,526.00	2,277,258.35	84,079.43	262,188.22	-
<u>OPERATIONS EXCLUDED FROM "CAPS" :</u>						
Recycling Tax	9,500.00	9,500.00	7,275.27		2,224.73	
Library Operations:						
Salaries and Wages	12,000.00	12,000.00	11,274.64		725.36	
Other Expenses	3,100.00	3,100.00	1,497.46	79.70	1,522.84	
Interlocal Municipal Service Agreements:						
SFSP Fire District Payment	1,871.00	1,871.00	1,871.00			
Joint Municipal Court	80,000.00	80,000.00	72,962.08		7,037.92	
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES:						
Clean Communities (N.J.S.A. 40A-4:87, \$17,447.61+)		17,447.61	17,447.61			
Municipal Alliance for Alcohol and Drug Abuse	4,658.00	4,658.00	4,658.00			
Municipal Alliance for Alcohol and Drug Abuse - Grant Match	1,164.50	1,164.50	1,164.50			
NJDOT Municipal Aid - Cobb & Brown	310,000.00	310,000.00	310,000.00			
NJDOT Municipal Aid - Cobb & Brown Match	29,000.00	29,000.00	29,000.00			
ARP Grant - Brown Street (N.J.S.A. 40A-4:87, \$52,400+)		52,400.00	52,400.00			
2022 NJDOT Freight Impact Fund:						
High and Yock Wock Road (N.J.S.A. 40A-4:87, \$900,000.00+)		900,000.00	900,000.00			
Mill Overlay of Main Strawberry Ave (N.J.S.A. 40A-4:87, \$900,000.00+)		900,000.00	900,000.00			
JIF Wellness Incentive Program	275.00	275.00	275.00			
JIF Optional Safety Budget Program	2,000.00	2,000.00	2,000.00			
JIF Safety Incentive Program Awards	1,500.00	1,500.00	1,500.00			
JIF EPL/CYBER Risk Management Awards	725.00	725.00	725.00			
2022 Local Recreation Improvement Grant	50,000.00	50,000.00	50,000.00			
Recycling Tonnage Grants	4,145.13	4,145.13	4,145.13			
Matching Funds for Grants	15,000.00	15,000.00	15,000.00			

(Continued)

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2022

	Appropriations		Paid or Charged			Unexpended
	Budget	Budget After Modification	Expended	Encumbered	Reserved	Balance Canceled
<u>OPERATIONS EXCLUDED FROM "CAPS" (CONT'D):</u>						
TOTAL OPERATIONS - EXCLUDED FROM "CAPS"	\$ 524,938.63	\$ 2,394,786.24	\$ 2,383,195.69	\$ 79.70	\$ 11,510.85	\$ -
Detail:						
Salaries and Wages	12,000.00	12,000.00	11,274.64		725.36	
Other Expenses	512,938.63	2,382,786.24	2,371,921.05	79.70	10,785.49	
	524,938.63	2,394,786.24	2,383,195.69	79.70	11,510.85	-
<u>CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS":</u>						
Capital Improvement Fund	17,600.00	17,600.00	17,600.00			
Reserve for Building Demolition	5,000.00	5,000.00	4,989.00		11.00	
TOTAL CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"	22,600.00	22,600.00	22,589.00	-	11.00	-
<u>MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS":</u>						
Payment of Bond Anticipation Notes	175,650.00	175,650.00	175,650.00			
Interest on Notes	3,188.66	3,188.66	3,188.66			
TOTAL MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"	178,838.66	178,838.66	178,838.66	-	-	-
TRANSFERRED TO BOARD OF EDUCATION FOR USE OF LOCAL SCHOOLS	6,547.00	6,547.00	6,547.00	-	-	-
TOTAL GENERAL APPROPRIATIONS FOR MUNICIPAL PURPOSES EXCLUDED FROM "CAPS"	732,924.29	2,602,771.90	2,591,170.35	79.70	11,521.85	-
SUBTOTAL GENERAL APPROPRIATIONS	3,356,450.29	5,226,297.90	4,868,428.70	84,159.13	273,710.07	-
RESERVE FOR UNCOLLECTED TAXES	561,790.75	561,790.75	561,790.75	-	-	-
TOTAL GENERAL APPROPRIATIONS	\$ 3,918,241.04	\$ 5,788,088.65	\$ 5,430,219.45	\$ 84,159.13	\$ 273,710.07	\$ -
Appropriation by 40A: 4-87		\$ 1,869,847.61				
Adopted Budget		3,918,241.04				
		\$ 5,788,088.65				

(Continued)

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Expenditures - Regulatory Basis
For the Year Ended December 31, 2022

	Appropriations		Paid or Charged			Unexpended Balance Canceled
	Budget	Budget After Modification	Expended	Encumbered	Reserved	
Federal State and Other Grants Appropriated			\$ 2,243,150.74			
Due to Federal, State and Other Grant Fund Federal State and Other Grants Appropriated			30,164.50			
Transferred to Local School District Payable			6,547.00			
Due to Trust Other Fund - Storm Recovery Appropriation			8,450.00			
Due to Trust Other Fund - Unemployment Appropriation			22,000.00			
Due to General Capital Fund -- Capital Improvement Fund			17,600.00			
Due to General Capital Fund -- Matching Funds for Grant			15,000.00			
Reserve for Uncollected Taxes			561,790.75			
Disbursed			<u>2,525,516.46</u>			
			<u>\$ 5,430,219.45</u>			

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF COMMERCIAL
TRUST FUND
Statements of Assets, Liabilities, and Reserves - Regulatory Basis
As of December 31, 2022 and 2021

	Ref.	2022	2021
Assets:			
Animal Control Fund:			
Cash - Chief Financial Officer	SB-1	\$ 1,905.24	\$ 1,885.67
		<u>1,905.24</u>	<u>1,885.67</u>
Trust Other Fund:			
Cash - Chief Financial Officer	SB-1	302,216.69	342,991.08
Cash - Tax Collector	SB-2	115,769.05	98,442.44
Due from Current Fund	SB-6	61,935.72	41,115.38
		<u>479,921.46</u>	<u>482,548.90</u>
		<u>\$ 481,826.70</u>	<u>\$ 484,434.57</u>
Liabilities and Reserves:			
Animal Control Fund:			
Reserve for Animal Control Fund Expenditures	SB-5	\$ 1,905.24	\$ 1,885.67
		<u>1,905.24</u>	<u>1,885.67</u>
Trust Other Fund:			
Fish and Game -- Due to State or Agent	SB-7	926.99	660.49
Miscellaneous Trust Reserves			
Deposits for Redemption of Tax Sale Certificates	SB-8	731.98	12,604.46
Tax Sale Premiums	SB-8	114,200.00	85,300.00
Unemployment	SB-8	60,514.23	37,703.67
Sanitary Landfill Closure:			
Post Closure Landfill Escrow	SB-8	153,686.92	153,448.62
DEP Closure Escrow Account	SB-8	30,123.59	30,076.88
Recreational Donations	SB-8	7,880.51	8,269.78
Veterans' Park	SB-8	7,954.95	8,811.49
Planning Board Escrow	SB-8	24,263.36	24,512.75
Accumulated Absences	SB-8	36,010.15	74,280.77
Storm Recovery	SB-8	25,325.44	21,950.00
Vacant Property Code Enforcement	SB-8	13,729.13	16,856.13
Payroll Taxes Payable	SB-8	4,574.21	8,073.86
		<u>479,921.46</u>	<u>482,548.90</u>
		<u>\$ 481,826.70</u>	<u>\$ 484,434.57</u>

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF COMMERCIAL
GENERAL CAPITAL FUND

Statements of Assets, Liabilities, Reserves and Fund Balances - Regulatory Basis
As of December 31, 2022 and 2021

Assets:	Ref.	2022	2021
Due from Current Fund	SC-2	\$ 313,696.66	\$ 328,249.50
Due from Federal, State and Other Grant Fund	SC-3	3,500.00	
Deferred Charges to Future Taxation:			
Unfunded	SC-4	2,048,600.00	924,250.00
		\$ 2,365,796.66	\$ 1,252,499.50
Liabilities, Reserves and Fund Balance:			
Bond Anticipation Notes	SC-8	\$ 748,600.00	\$ 924,250.00
Improvement Authorizations:			
Funded	SC-5	126,831.41	10,309.25
Unfunded	SC-5	1,160,964.26	141,238.26
Reserve for Encumbrances	SC-5	219,099.00	
Reserve for Buildings and Grounds	C	58,018.00	58,018.00
Reserve for Equipment Replacement	SC-7	26,500.00	34,500.00
Reserve for Road Improvements	C	3,073.30	3,073.30
Capital Improvement Fund	SC-6	22,710.69	81,110.69
		\$ 2,365,796.66	\$ 1,252,499.50

The accompanying Notes to Financial Statements are an integral part of these statements.

TOWNSHIP OF COMMERCIAL
GENERAL FIXED ASSET GROUP OF ACCOUNTS
Statement of Changes General Fixed Asset Group of Accounts - Regulatory Basis
For the Year Ended December 31, 2022

	Balance <u>Dec. 31, 2021</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>Dec. 31, 2022</u>
General Fixed Assets:				
Land, Buildings and Improvements	\$ 3,785,060.00	\$	\$ 13,000.00	\$ 3,772,060.00
Furniture, Fixtures, and Equipment	385,981.00			385,981.00
Vehicles	<u>1,150,048.00</u>			<u>1,150,048.00</u>
Total General Fixed Assets	<u>\$ 5,321,089.00</u>	<u>\$ -</u>	<u>\$ 13,000.00</u>	<u>\$ 5,308,089.00</u>
Total Investment in General Fixed Assets	<u>\$ 5,321,089.00</u>	<u>\$ -</u>	<u>\$ 13,000.00</u>	<u>\$ 5,308,089.00</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

TOWNSHIP OF COMMERCIAL
Notes to Financial Statements
For the Year Ended December 31, 2022

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Financial Reporting Entity - The Township of Commercial (hereafter referred to as the "Township") was incorporated in February 27, 1874 and is located in southwest New Jersey approximately sixty miles south of the City of Philadelphia. The Township has a total area of 34.5 square miles. The population according to the 2020 census is 4,669.

The Township of Commercial is governed under the Township form of government with a three-member Township Committee. The Township Committee is elected directly by the voters in partisan elections to serve three-year terms of office on a staggered basis with one seat coming up for election each year. At an annual reorganization meeting, the Township Committee selects one of its members to serve as Mayor and another as Deputy Mayor. Executive and administrative responsibility rests with the Mayor, who is assisted by the Township Clerk.

Measurement Focus, Basis of Accounting and Financial Statement Presentation - The financial statements of the Township contain all funds and account groups in accordance with the *Requirements of Audit* (the "*Requirements*") as promulgated by the State of New Jersey, Department of Community Affairs, Division of Local Government Services. The principles and practices established by the *Requirements* are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Generally, the financial statements are presented using the flow of current financial resources measurement focus and modified accrual basis of accounting with minor exceptions as mandated by these *Requirements*. In addition, the prescribed accounting principles previously referred to differ in certain respects from accounting principles generally accepted in the United States of America applicable to local government units. The more significant differences are explained in this note.

In accordance with the *Requirements*, the Township accounts for its financial transactions through the use of separate funds and an account group which are described as follows:

Current Fund - The current fund accounts for resources and expenditures for governmental operations of a general nature, including federal, state and other grant funds.

Trust Funds - The various trust funds account for receipts, custodianship, and disbursement of funds in accordance with the purpose for which each reserve was created.

General Capital Fund - The general capital fund accounts for receipt and disbursement of funds for the acquisition of general capital facilities, other than those acquired in the current fund.

General Fixed Asset Group of Accounts - The general fixed asset group of accounts is utilized to account for property, land, buildings, and equipment that have been acquired by other governmental funds.

Budgets and Budgetary Accounting - The Township must adopt an annual budget for its current fund in accordance with N.J.S.A. 40A:4 et seq. N.J.S.A. 40A:4-5 requires the governing body to introduce and approve the annual municipal budget no later than February 10 of each year. At introduction, the governing body shall fix the time and place for a public hearing on the budget and must advertise the time and place at least ten days prior to the hearing in a newspaper published and circulating in the municipality. The public hearing must not be held less than twenty-eight days after the date the budget was introduced. After the hearing has been held, the governing body may, by majority vote, adopt the budget or may amend the budget in accordance with N.J.S.A. 40A:4-9. Amendments to adopted budgets, if any, are detailed in the statements of revenues and expenditures.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Budgets and Budgetary Accounting (Cont'd) - An extension of the statutory dates for introduction, approval, and adoption of the municipal budget may be granted by the Director of the Division of Local Government Services, with the permission of the Local Finance Board.

Budgets are adopted on the same basis of accounting utilized for the preparation of the Township's financial statements.

Cash, Cash Equivalents and Investments - Cash and cash equivalents include petty cash, change funds and cash on deposit with public depositories. All certificates of deposit are recorded as cash regardless of the date of maturity. Investments are stated at cost; therefore, unrealized gains or losses on investments have not been recorded.

New Jersey municipal units are required by N.J.S.A. 40A:5-14 to deposit public funds in a bank or trust company having its place of business in the State of New Jersey and organized under the laws of the United States or of the State of New Jersey or in the New Jersey Cash Management Fund. N.J.S.A. 40A:5-15.1 provides a list of investments which may be purchased by New Jersey municipal units. In addition, other State statutes permit investments in obligations issued by local authorities and other state agencies.

N.J.S.A. 17:9-41 et seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Governmental Unit Deposit Protection Act ("GUDPA"), a multiple financial institutional collateral pool, which was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. Public depositories include State or federally chartered banks, savings banks or associations located in or having a branch office in the State of New Jersey, the deposits of which are federally insured. All public depositories must pledge collateral, having a market value at least equal to five percent of the average daily balance of collected public funds, to secure the deposits of governmental units. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the amount of their deposits to the governmental units.

The cash management plan adopted by the Township requires it to deposit funds in public depositories protected from loss under the provisions of the Act.

Interfunds - Interfund receivables and payables that arise from transactions between funds are recorded by all funds affected by such transactions in the period in which the transaction is executed. Interfund receivables in the current fund are recorded with offsetting reserves which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves.

Inventories of Supplies - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various statements of assets, liabilities, reserves and fund balance.

General Fixed Assets - Accounting for governmental fixed assets, as required by N.J.A.C. 5:30-5.6, differs in certain respects from accounting principles generally accepted in the United States of America. In accordance with the regulations, all local units, including municipalities, must maintain a general fixed assets reporting system that establishes and maintains a physical inventory of nonexpendable, tangible property as defined and limited by the U.S. Office of Management and *Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Part 200, §200.12), except that the useful life of such property is at least five years.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

General Fixed Assets (Cont'd) - The Township has adopted a capitalization threshold of \$5,000.00, the maximum amount allowed by the Circular. Generally, assets are valued at historical cost; however, assets acquired prior to December 31, 1985 are valued at actual historical cost or estimated historical cost. No depreciation of general fixed assets is recorded. Donated general fixed assets are recorded at acquisition value as of the date of the transaction. Interest costs relative to the acquisition of general fixed assets are recorded as expenditures when paid. Public domain ("infrastructure") general fixed assets consisting of certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks and drainage systems are not capitalized. Expenditures for construction in progress are recorded in the capital funds until such time as the construction is completed and put into operation. The Township is required to maintain a subsidiary ledger detailing fixed assets records to control additions, retirements, and transfers of fixed assets. In addition, a statement of general fixed asset group of accounts, reflecting the activity for the year, must be included in the Township's basic financial statements.

The regulations require that general fixed assets, whether constructed or acquired through purchase, grant or gift be included in the aforementioned inventory. In addition, property management standards must be maintained that include accurate records indicating asset description, source, ownership, acquisition cost and date, the percentage of Federal participation (if any), and the location, use, and condition of the asset. Periodically, physical inventories must be taken and reconciled with these records. Lastly, all fixed assets must be adequately controlled to safeguard against loss, damage, or theft.

Foreclosed Property - Foreclosed property is recorded in the current fund at the assessed valuation when such property was acquired and is fully reserved. Ordinarily it is the intention of the municipality to resell foreclosed property in order to recover all or a portion of the delinquent taxes or assessments and to return the property to a taxpaying basis. For this reason, the value of foreclosed property has not been included in the general fixed asset group of accounts. If such property is converted to a municipal use, it will be recorded in the general fixed asset group of accounts.

Deferred Charges - The recognition of certain expenditures is deferred to future periods. These expenditures, or deferred charges, are generally overexpenditures of legally adopted budget appropriations or emergency appropriations made in accordance with N.J.S.A. 40A:4-46 et seq. Deferred charges are subsequently raised as items of appropriation in budgets of succeeding years.

Liens Sold for Other Governmental Units - Liens sold on behalf of other governmental units are not recorded on the records of the tax collector until such liens are collected. Upon their collection, such liens are recorded as a liability due to the governmental unit net of the costs of the initial sale. The related costs of sale are recognized as revenue when received.

Fund Balance - Fund balance included in the current fund represents amounts available for anticipation as revenue in future years' budgets, with certain restrictions.

Revenues - Revenues are recorded when received in cash except for certain amounts which are due from other governmental units. Revenue from federal and state grants is realized when anticipated as such in the Township's budget. Receivables for property taxes are recorded with offsetting reserves on the statement of assets, liabilities, reserves and fund balance of the Township's current fund; accordingly, such amounts are not recorded as revenue until collected. Other amounts that are due to the Township which are susceptible to accrual are also recorded as receivables with offsetting reserves and recorded as revenue when received.

Property Tax Revenues - Property tax revenues are collected in quarterly installments due February 1, May 1, August 1, and November 1. The amount of tax levied includes not only the amount required in support of the Township's annual budget, but also the amounts required in support of the budgets of the County of Cumberland, the Township of Commercial School District, the Township of Commercial Fire District No. 1, the Township of Commercial Fire District No. 2, and the Township of Commercial Fire District No. 3. Unpaid property taxes are subject to tax sale in accordance with the statutes.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

School Taxes - The Township is responsible for levying, collecting, and remitting school taxes for the Township of Commercial School District. Operations is charged for the Township's share of the amount required to be raised by taxation for the period from July 1 to June 30, increased by the amount deferred at December 31, 2021 and decreased by the amount deferred at December 31, 2022.

County Taxes - The municipality is responsible for levying, collecting, and remitting county taxes for the County of Cumberland. County taxes are determined on a calendar year by the County Board of Taxation based upon the ratables required to be certified to them on January 10 of each year. Operations is charged for the amount due to the County for the year, based upon the ratables required to be certified to the County Board of Taxation by January 10 of the current year. In addition, operations is charged for the County share of added and omitted taxes certified to the County Board of Taxation by October 10 of the current year, and due to be paid to the County by February 15 of the following year.

Fire District Taxes - The municipality is responsible for levying, collecting, and remitting fire district taxes for the Township of Commercial Fire District No. 1, the Township of Commercial Fire District No. 2, and the Township of Commercial Fire District No. 3. Operations is charged for the full amount required to be raised from taxation to operate the Fire Districts for the period from January 1 to December 31.

Reserve for Uncollected Taxes - The inclusion of the "reserve for uncollected taxes" appropriation in the Township's annual budget protects the Township from taxes not paid currently. The reserve, the minimum amount of which is determined on the percentage of collections experienced in the immediately preceding year, with certain exceptions, is required to provide assurance that cash collected in the current year will provide sufficient cash flow to meet expected obligations.

Expenditures - Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when paid. However, for charges to amounts appropriated for "other expenses", an amount is encumbered through the issuance of a numerically controlled purchase order or when a contract is executed in accordance with N.J.A.C. 5:30-5.2. When encumbered charges are paid, the amount encumbered is simultaneously liquidated in its original amount. Encumbrances are offset by an account entitled reserve for encumbrances. The reserve is classified as a cash liability under New Jersey municipal accounting. At December 31, this reserve represents the portion of appropriation reserves that has been encumbered and is subject to the same statutory provisions as appropriation reserves.

Appropriations for principal and interest payments on outstanding general capital bonds and notes are provided on the cash basis.

Appropriation Reserves - Appropriation reserves covering unexpended appropriation balances are automatically created at year-end and recorded as liabilities, except for amounts which may be canceled by the governing body. Appropriation reserves are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments, or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as income.

Long-Term Debt - Long-term debt, relative to the acquisition of capital assets, is recorded as a liability in the general capital fund. Where an improvement is a "local improvement", i.e., assessable upon completion, long-term debt associated with that portion of the cost of the improvement to be funded by assessments is transferred to the trust fund upon the confirmation of the assessments or when the improvement is fully and permanently funded.

Note 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Compensated Absences and Postemployment Benefits - Compensated absences for vacation, sick leave and other compensated absences are recorded and provided for in the annual budget in the year in which they are paid, on a pay-as-you-go basis. Likewise, no accrual is made for postemployment benefits, if any, which are also funded on a pay-as-you-go basis.

Impact of Recently Issued Accounting Principles**Recently Issued and Adopted Accounting Pronouncements**

The Township implemented the following GASB Statement for the year ended December 31, 2022:

Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to measure and disclose a lease liability and a lessor is required to measure and disclose a lease receivable; thereby enhancing the relevance and consistency of information about governments' leasing activities. As a result of the regulatory basis of accounting previously described in note 1, the implementation of this Statement only required financial statement disclosures. There exists no impact on the financial statements of the Township.

Because of the implementation of GASB Statement No. 87, the Township has determined that lease agreements in which they are the lessor are now disclosed in accordance with the Statement (note 5).

Recently Issued Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the following statements that have effective dates that may affect future financial presentations:

Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset, an intangible asset, and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The Statement will become effective for the Township's year ending December 31, 2023. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Township, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Township.

Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The Statement will become effective for the Township in the year ending December 31, 2024. As a result of the regulatory basis of accounting previously described in note 1, this Statement will have no impact on the financial statements of the Township, however management is currently evaluating whether or not this Statement will have an impact on the financial statement disclosures of the Township.

Note 2: CASH AND CASH EQUIVALENTS

Custodial Credit Risk Related to Deposits - Custodial credit risk is the risk that, in the event of a bank failure, the Township's deposits might not be recovered. Although the Township does not have a formal policy regarding custodial credit risk, N.J.S.A. 17:9-41 et seq. requires that governmental units shall deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). Under the Act, the first \$250,000.00 of governmental deposits in each insured depository is protected by the Federal Deposit Insurance Corporation (FDIC). Public funds owned by the municipality in excess of FDIC insured amounts are protected by GUDPA. However, GUDPA does not protect intermingled agency funds such as salary withholdings, bail funds, or funds that may pass to the municipality relative to the happening of a future condition. Such funds are classified as uninsured and uncollateralized.

As of December 31, 2022, the Township's bank balances of \$3,769,210.69 were all insured by FDIC and GUDPA.

New Jersey Cash Management Fund - During the year, the Township participated in the New Jersey Cash Management Fund. The Fund is governed by regulations of the State Investment Council, who prescribe standards designed to insure the quality of investments in order to minimize risk to the Funds participants. Deposits with the New Jersey Cash Management Fund are not subject to custodial credit risk as defined above. At December 31, 2022, the Township's deposits with the New Jersey Cash Management Fund were \$17,169.64.

Note 3: PROPERTY TAXES

The following is a five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years:

Comparative Schedule of Tax Rates

	<u>Year Ended</u>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Tax Rate	\$ 2.558	\$ 2.519	\$ 2.460	\$ 2.280	\$ 2.302
Apportionment of Tax Rate:					
Municipal	\$.617	\$.587	\$.567	\$.568	\$.567
County	1.092	1.101	1.085	.953	1.003
Local School	.849	.831	.808	.759	.732
Special District Tax Rates:					
Fire District No. 1	\$.286	\$.279	\$.270	\$.262	\$.253
Fire District No. 2	.366	.357	.354	.351	.349
Fire District No. 3	.366	.362	.352	.327	.313

Assessed Valuation

<u>Year</u>	<u>Amount</u>
2022	\$ 271,125,300.00
2021	272,959,900.00
2020	276,167,700.00
2019	279,498,500.00
2018	282,422,500.00

Note 3: PROPERTY TAXES (CONT'D)

Five-year comparison of certain statistical information relative to property taxes and property tax collections for the current and previous four calendar years (cont'd):

Comparison of Tax Levies and Collections

<u>Year</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Percentage of Collections</u>
2022	\$ 7,876,410.71	\$ 7,334,848.65	93.12%
2021	7,805,370.95	7,256,312.23	92.97%
2020	7,700,235.26	7,023,940.44	91.22%
2019	7,255,438.18	6,610,514.34	91.11%
2018	7,364,549.58	6,702,704.37	91.01%

Delinquent Taxes and Tax Title Liens

<u>Year</u>	<u>Tax Title Liens</u>	<u>Delinquent Taxes</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2022	\$ 1,241,103.33	\$ 371,009.12	\$ 1,612,112.45	20.47%
2021	1,091,106.06	326,493.07	1,417,599.13	18.16%
2020	1,086,975.47	351,294.09	1,438,269.56	18.68%
2019	828,601.16	378,649.69	1,207,250.85	16.64%
2018	588,576.07	450,034.85	1,038,610.92	14.10%

The following comparison is made of the number of tax title liens receivable on December 31 for the current and previous four calendar years:

<u>Year</u>	<u>Number</u>
2022	266
2021	257
2020	292
2019	263
2018	240

Note 4: PROPERTY ACQUIRED BY TAX TITLE LIEN LIQUIDATION

The value of property acquired by liquidation of tax title liens on December 31, on the basis of the last assessed valuation of such properties, for the current and previous four years was as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 1,961,100.00
2021	2,125,300.00
2020	1,874,800.00
2019	1,874,800.00
2018	1,706,700.00

Note 5: LEASES RECEIVABLE

The Township, as lessor, has entered into the following leases which meet the requirements of GASB 87:

Cell Tower Lease - On March 28, 2001, the Township entered into a five-year lease agreement with Nextel Communications of Mid-Atlantic Inc. (later known as American Tower Asset Sub, LLC) for the lease of a cell tower with an incremental borrowing rate of 4.75%. The lease agreement commenced on November 1, 2001 and the Township received payment of \$1,500.00 on a monthly basis, with an annual increase of 3.00%. Lessee had the right to extend the term for four (4) successive five (5) year periods. On November 13, 2015, the Township agreed to an increase in monthly payment amount and the extension of the lease for six (6) additional five (5) year renewal terms, taking into account all existing renewal terms. The amended lease was remeasured using the Township's then incremental borrowing rate of 0.80%. Based on this amendment, as of December 31, 2022, the Township is receiving payments of \$3,325.26 on a monthly basis through October 31, 2056, with an annual increase of 3.00%.

Post Office Lease - On July 3, 2007, the Township entered into a ten-year lease agreement with United States Postal Service for the lease of a one-story masonry, brick/block building with an incremental borrowing rate of 3.80%. The lease commenced on August 24, 2007 with an expiration date of August 23, 2017. Annual rental payments payable to the Township was \$40,800.00 during the first ten years. The renewal options were exercised by the United States Postal Services for additional rental terms from August 24, 2017 to August 23, 2022 for annual rental amount of \$42,924.00 and from August 24, 2022 to August 23, 2027 for annual rental amount of \$45,070.00.

Under the provisions of GASB 87, as of December 31, 2022, the balance of the leases receivable is \$2,153,782.01. As a result of the regulatory basis of accounting previously described in note 1, such balance is not recorded on the Statements of Assets, Liabilities, Reserves and Fund Balance - Regulatory Basis of the current fund.

The following is a summary of the leases as of December 31, 2022:

<u>Lease Description</u>	<u>Lease Receivable</u>	<u>Lease Revenue</u>	<u>Lease Interest Revenue</u>
Cell Tower	\$ 1,961,327.54	\$ 23,156.37	\$ 15,875.10
Post Office	192,454.47	35,626.56	8,058.90
	<u>\$ 2,153,782.01</u>	<u>\$ 58,782.93</u>	<u>\$ 23,934.00</u>

Under the provisions of GASB 87, for the year ended December 31, 2022, the Township would have recognized \$58,640.05 in a reduction of lease receivable and \$23,934.00 in interest revenue related to the leases. In addition, \$67,859.45 would have been recognized as both lease revenue and a reduction in deferred inflows of resources related to leases.

As a result of the regulatory basis of accounting previously described in note 1, the rental payments collected of \$82,716.93 were reported as revenue in the current fund.

Note 6: FUND BALANCES APPROPRIATED

The following schedule details the amount of fund balances available at the end of the current year and four previous years and the amounts utilized in the subsequent year's budgets:

<u>Year</u>	<u>Balance December 31,</u>	<u>Utilized in Budget of Succeeding Year</u>	<u>Percentage of Fund Balance Used</u>
2022	\$ 1,301,980.89	\$ 371,000.00	28.50%
2021	711,731.84	400,000.00	56.20%
2020	1,324,647.10	665,000.00	50.20%
2019	1,572,573.83	580,000.00	36.88%
2018	1,482,197.75	600,000.00	40.48%

Note 7: INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances were recorded on the various statements of assets, liabilities, reserves and fund balance as of December 31, 2022:

<u>Fund</u>	<u>Interfunds Receivable</u>	<u>Interfunds Payable</u>
Current		\$ 1,026,118.13
Federal, State and Other Grant	\$ 650,485.75	3,500.00
Trust - Other	61,935.72	
General Capital	317,196.66	
Totals	<u>\$ 1,029,618.13</u>	<u>\$ 1,029,618.13</u>

The interfund receivables and payables above predominately resulted from collections and payments made by certain funds on behalf of other funds. During the year 2023, the Township expects to liquidate such interfunds, depending upon the availability of cash flow.

Note 8: PENSION PLANS

In May of 2023, the New Jersey Division of Local Government Services issued Local Finance Notice 2023-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27*. As of the date of this report, the information for the measurement period ended June 30, 2022 was not available; therefore, the information from the measurement period June 30, 2021 is disclosed below.

A substantial number of the Township's employees participate in the Public Employees' Retirement System ("PERS"), a defined benefit pension plan which is administered by the New Jersey Division of Pensions and Benefits. In addition, several Township employees participate in the Defined Contribution Retirement Program ("DCRP"), which is a defined contribution pension plan. This Plan is administered by Empower (formerly Prudential Financial) for the New Jersey Division of Pensions and Benefits. Each Plan has a Board of Trustees that is primarily responsible for its administration. The Division issues a publicly available financial report that includes financial statements, required supplementary information and detailed information about the PERS plan's fiduciary net position which can be obtained by writing to or at the following website:

State of New Jersey
Division of Pensions and Benefits
P.O. Box 295
Trenton, New Jersey 08625-0295
<https://www.state.nj.us/treasury/pensions/financial-reports.shtml>

General Information about the Pension Plans**Plan Descriptions**

Public Employees' Retirement System - The Public Employees' Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which was established as of January 1, 1955, under the provisions of N.J.S.A. 43:15A. The PERS' designated purpose is to provide retirement, death, disability and medical benefits to certain qualified members. Membership in the PERS is mandatory for substantially all full-time employees of the Township, provided the employee is not required to be a member of another state-administered retirement system or other state pensions fund or local jurisdiction's pension fund. The PERS' Board of Trustees is primarily responsible for the administration of the PERS.

Defined Contribution Retirement Program - The Defined Contribution Retirement Program is a multiple-employer defined contribution pension fund established on July 1, 2007 under the provisions of P.L. 2007, c. 92 and P.L. 2007, c. 103, and expanded under the provisions of P.L. 2008, c. 89 and P.L. 2010, c. 1. The DCRP is a tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) § 401(a) et seq., and is a "governmental plan" within the meaning of IRC § 414(d). The DCRP provides retirement benefits for eligible employees and their beneficiaries. Individuals covered under DCRP are employees enrolled in PERS on or after July 1, 2007, who earn salary in excess of established "maximum compensation" limits; employees enrolled in New Jersey State Police Retirement System (SPRS) or the Police and Firemen's Retirement System (PFRS) after May 21, 2010, who earn salary in excess of established "maximum compensation" limits; employees otherwise eligible to enroll in PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000.00 annually; and employees otherwise eligible to enroll in PERS after May 21, 2010 who do not work the minimum number of hours per week required for tiers 4 or 5 enrollment, but who earn salary of at least \$5,000.00 annually.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Vesting and Benefit Provisions**

Public Employees' Retirement System - The vesting and benefit provisions are set by N.J.S.A. 43:15A. The PERS provides retirement, death and disability benefits. All benefits vest after ten years of service.

The following represents the membership tiers for PERS:

Tier Definition

- 1 Members who were enrolled prior to July 1, 2007
- 2 Members who were eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
- 3 Members who were eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
- 4 Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
- 5 Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 with 25 years or more of service credit before age 62, and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Defined Contribution Retirement Program - Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non-forfeitable. A participant's interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non-forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

Contributions

Public Employees' Retirement System - The contribution policy is set by N.J.S.A. 43:15A and requires contributions by active members and contributing employers. Pursuant to the provisions of P.L. 2011, C. 78, the member contribution rate is currently 7.50% of base salary, effective July 1, 2018. The rate for members who are eligible for the Prosecutors Part of PERS (P.L. 2001, C. 366) is 10.0%. Employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability.

The Township's contractually required contribution rate for the year ended December 31, 2021 was 19.31% of the Township's covered payroll. This amount was actuarially determined as the amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, including an additional amount to finance any unfunded accrued liability.

Note 8: PENSION PLANS (CONT'D)**General Information about the Pension Plans (Cont'd)****Contributions (Cont'd)**

Public Employees' Retirement System (Cont'd) - Based on the most recent PERS measurement date of June 30, 2021, the Township's contractually required contribution to the pension plan for the year ended December 31, 2021 is \$92,921.00, and is payable by April 1, 2022. Due to the basis of accounting described in note 1, no liability has been recorded in the financial statements for this amount. For the prior year measurement date of June 30, 2020, the Township's contractually required contribution to the pension plan for the year ended December 31, 2020 was \$78,276.00, which was paid on April 1, 2021.

Employee contributions to the Plan for the year ended December 31, 2021 were \$36,083.07.

Defined Contribution Retirement Program - The contribution policy is set by N.J.S.A. 43:15C-3 and requires contributions by active members and contributing employers. In accordance with Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007, Plan members are required to contribute 5.5% of their annual covered salary. In addition to the employee contributions, the Township contributes 3% of the employees' base salary, for each pay period.

For the year ended December 31, 2022, employee contributions totaled \$5,096.19, and the Township's contributions were \$3,752.32. There were no forfeitures during the year.

Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**Public Employees' Retirement System**

Pension Liability - As of December 31, 2021, the Township's proportionate share of the PERS net pension liability was \$939,948.00. The net pension liability was measured as of June 30, 2021 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. The Township's proportion of the net pension liability was based on a projection of the Township's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. For the June 30, 2021 measurement date, the Township's proportion was .0079343961%, which was an increase of .0007790388% from its proportion measured as of June 30, 2020.

Pension (Benefit) Expense - For the year ended December 31, 2021, the Township's proportionate share of the PERS pension (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date was (\$135,750.00). This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2021, the Township's contribution to PERS was \$78,276.00, and was paid on April 1, 2021.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources - As of December 31, 2021, the Township had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 14,824.00	\$ 6,729.00
Changes of Assumptions	4,895.00	334,628.00
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	247,607.00
Changes in Proportion and Differences between Township Contributions and Proportionate Share of Contributions	156,309.00	157,026.00
Township Contributions Subsequent to the Measurement Date	<u>46,461.00</u>	<u>-</u>
	<u>\$ 222,489.00</u>	<u>\$ 745,990.00</u>

Deferred outflows of resources in the amount of \$46,461.00 will be included as a reduction of the net pension liability during the year ending December 31, 2022. This amount was based on an estimated April 1, 2023 contractually required contribution, prorated from the pension plan's measurement date of June 30, 2021 to the Township's year end of December 31, 2021.

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - The Township will amortize the other deferred outflows of resources and deferred inflows of resources related to pensions over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	-
June 30, 2017	5.48	-
June 30, 2018	-	5.63
June 30, 2019	5.21	-
June 30, 2020	5.16	-
June 30, 2021	-	5.13
Changes of Assumptions		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	-
June 30, 2017	-	5.48
June 30, 2018	-	5.63
June 30, 2019	-	5.21
June 30, 2020	-	5.16
June 30, 2021	5.13	-
Difference between Projected and Actual Earnings on Pension Plan Investments		
Year of Pension Plan Deferral:		
June 30, 2017	-	5.00
June 30, 2018	-	5.00
June 30, 2019	-	5.00
June 30, 2020	-	5.00
June 30, 2021	-	5.00
Changes in Proportion		
Year of Pension Plan Deferral:		
June 30, 2016	5.57	5.57
June 30, 2017	5.48	5.48
June 30, 2018	5.63	5.63
June 30, 2019	5.21	5.21
June 30, 2020	5.16	5.16
June 30, 2021	5.13	5.13

Note 8: PENSION PLANS (CONT'D)**Pension Liabilities, Pension (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Other amounts included as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future periods as follows:

Year Ending Dec 31,	
2022	\$ (242,165.00)
2023	(187,130.00)
2024	(95,620.00)
2025	(49,382.00)
2026	4,335.00
	<u>\$ (569,962.00)</u>

Actuarial Assumptions

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The total pension liability was calculated through the use of updated procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases: ⁽¹⁾	
Through 2026	2.00% - 6.00%
Thereafter	3.00% - 7.00%
Through All Future Years	
Investment Rate of Return	7.00%
Period of Actuarial Experience Study upon which Actuarial Assumptions were Based	July 1, 2014 - June 30, 2018

⁽¹⁾ based on years of service

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Public Employees' Retirement System**

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

In accordance with State statute, the long-term expected rate of return on Plan investments (7.00% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investments and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS' target asset allocation as of June 30, 2021 are summarized in the table that follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Market Equity	5.50%	10.96%
Private Equity	13.00%	11.30%
Real Estate	8.00%	9.15%
Real Assets	3.00%	7.40%
High Yield	2.00%	3.75%
Private Credit	8.00%	7.60%
Investment Grade Credit	8.00%	1.68%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Risk Mitigation Strategies	3.00%	3.35%
	<u>100.00%</u>	

Note 8: PENSION PLANS (CONT'D)**Actuarial Assumptions (Cont'd)****Discount Rate -**

Public Employees' Retirement System - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2021. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.16% as of the June 30, 2021 measurement date based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity would be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all projected benefit payments to determine the total pension liability.

Sensitivity of Proportionate Share of Net Pension Liability to Changes in the Discount Rate

Public Employees' Retirement System (PERS) - The following presents the Township's proportionate share of the net pension liability as of the June 30, 2021 measurement date, calculated using a discount rate of 7.00%, as well as what the Township's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rates used:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Township's Proportionate Share of the Net Pension Liability	<u>\$ 1,280,019.00</u>	<u>\$ 939,948.00</u>	<u>\$ 651,350.00</u>

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension (benefit) expense, information about the respective fiduciary net position of the PERS and additions to/deductions from PERS' fiduciary net position have been determined on the same basis as they are reported by PERS. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information**

In accordance with GASBS 68, the following information is also presented for the PERS pension plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Proportionate Share of the Net Pension Liability - Public Employees' Retirement System (PERS) (Last Nine Plan Years)

	Measurement Date Ended June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net Pension Liability	0.0079343961%	0.0071553573%	0.0073470341%	0.0087062440%	0.0084858136%
Township's Proportionate Share of the Net Pension Liability	\$ 939,948.00	\$ 1,166,852.00	\$ 1,323,824.00	\$ 1,714,216.00	\$ 1,975,362.00
Township's Covered Payroll (Plan Measurement Period)	\$ 581,468.00	\$ 530,836.00	\$ 535,968.00	\$ 611,392.00	\$ 587,896.00
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	161.65%	219.81%	247.00%	280.38%	336.01%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	58.32%	56.27%	53.60%	48.10%
	Measurement Date Ended June 30,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Township's Proportion of the Net Pension Liability	0.0082172640%	0.0078517509%	0.0066303926%	0.0074631087%	
Township's Proportionate Share of the Net Pension Liability	\$ 2,433,718.00	\$ 1,762,561.00	\$ 1,241,391.00	\$ 1,426,348.00	
Township's Covered Payroll (Plan Measurement Period)	\$ 565,288.00	\$ 541,616.00	\$ 482,772.00	\$ 514,828.00	
Township's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	430.53%	325.43%	257.14%	277.05%	
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	40.14%	47.93%	52.08%	48.72%	

Note 8: PENSION PLANS (CONT'D)**Supplementary Pension Information (Cont'd)*****Schedule of Contributions - Public Employees' Retirement System (PERS) (Last Nine Years)***

	Year Ended December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Contractually Required Contribution	\$ 92,921.00	\$ 78,276.00	\$ 71,465.00	\$ 86,599.00	\$ 78,612.00
Township's Contribution in Relation to the Contractually Required Contribution	(92,921.00)	(78,276.00)	(71,465.00)	(86,599.00)	(78,612.00)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 481,107.00	\$ 540,488.00	\$ 547,257.00	\$ 541,251.00	\$ 604,362.00
Township's Contributions as a Percentage of Covered Payroll	19.31%	14.48%	13.06%	16.00%	13.01%
	Year Ended December 31,				
	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	
Township's Contractually Required Contribution	\$ 73,001.00	\$ 67,504.00	\$ 54,660.00	\$ 56,233.00	
Township's Contribution in Relation to the Contractually Required Contribution	(73,001.00)	(67,504.00)	(54,660.00)	(56,233.00)	
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	
Township's Covered Payroll (Calendar Year)	\$ 587,896.00	\$ 565,133.00	\$ 523,365.00	\$ 496,362.00	
Township's Contributions as a Percentage of Covered Payroll	12.42%	11.94%	10.44%	11.33%	

Other Notes to Supplementary Pension Information***Public Employees' Retirement System (PERS)*****Changes in Benefit Terms**

The June 30, 2021 measurement date included one change to the plan provisions. Chapter 140, P.L. 2021 reopened the Worker's Compensation Judges (WCJ) Part of PERS and transferred WCJs from the defined contribution retirement program (DCRP) and regular part of PERS into the WCJ Part of PERS.

Changes in Assumptions

The discount rate and the long-term expected rate of return used as of June 30 measurement date are as follows:

Discount Rate				Long-term Expected Rate of Return			
<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	7.00%	2017	5.00%	2021	7.00%	2017	7.00%
2020	7.00%	2016	3.98%	2020	7.00%	2016	7.65%
2019	6.28%	2015	4.90%	2019	7.00%	2015	7.90%
2018	5.66%	2014	5.39%	2018	7.00%	2014	7.90%

The mortality assumption was updated upon direction from the Division of Pensions and Benefits.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

In May of 2023, the New Jersey Division of Local Government Services issued Local Finance Notice 2023-10 which allows local units to disclose the most recently available information as it relates to the New Jersey Division of Pension's reporting on GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. As of the date of this report, the information for the measurement period ended June 30, 2022 was not available; therefore, the information from the measurement period June 30, 2021 is disclosed below.

General Information about the State Health Benefit Local Government Retired Employees Plan

Plan Description and Benefits Provided - The Township contributes to the State Health Benefits Local Government Retired Employees Plan (the "Plan"), which is a cost-sharing multiple-employer defined benefit other postemployment benefit ("OPEB") plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The Plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the "State"), Division of Pensions and Benefits' (the "Division") annual financial statements, which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the participating employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retired with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retired and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L.1989.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**General Information about the State Health Benefit Local Government Retired Employees Plan (Cont'd)**

Contributions - The funding policy for the OPEB plan is pay-as-you-go; therefore, there is no prefunding of the liability. However, due to premium rates being set prior to each calendar year, there is a minimal amount of net position available to cover benefits in future years. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are collected from the State of New Jersey, participating local employers, and retired members.

The Township was billed monthly by the Plan and paid \$46,769.40, for the year ended December 31, 2021, representing 9.72% of the Township's covered payroll. During the year ended December 31, 2021, retirees were not required to contribute to the Plan.

OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

OPEB Liability - At December 31, 2021, the Township's proportionate share of the net OPEB liability was \$2,899,045.00.

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021.

The Township's proportion of the net OPEB liability was based on the ratio of the Plan members of an individual employer to the total members of the Plan's nonspecial funding situation during the measurement period July 1, 2020 through June 30, 2021. For the June 30, 2021 measurement date, the Township's proportion was .016106%, which was an increase of .000751% from its proportion measured as of the June 30, 2020 measurement date.

OPEB (Benefit) Expense - At December 31, 2021, the Township's proportionate share of the OPEB (benefit) expense, calculated by the Plan as of the June 30, 2021 measurement date, is \$12,538.00. This (benefit) expense is not recognized by the Township because of the regulatory basis of accounting as described in note 1; however, as previously mentioned, for the year ended December 31, 2021, the Township made contributions to the Plan totaling \$46,769.40.

Deferred Outflows of Resources and Deferred Inflows of Resources - At December 31, 2021, the Township had deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience	\$ 65,051.00	\$ 606,523.00
Changes of Assumptions	417,036.00	512,440.00
Net Difference between Projected and Actual Earnings on OPEB Plan Investments	1,386.00	-
Changes in Proportion	342,063.00	295,066.00
Contributions Subsequent to the Measurement Date	22,284.36	-
	<u>\$ 847,820.36</u>	<u>\$ 1,414,029.00</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**OPEB Liability, OPEB (Benefit) Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)**

Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd) - Deferred outflows of resources in the amount of \$22,284.36 will be included as a reduction of the Township's net OPEB liability during the year ending December 31, 2022. The Township will amortize the above other deferred outflows of resources and deferred inflows of resources related to the OPEB liability over the following number of years:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Experience			Changes of Assumptions		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2018	-	8.14	June 30, 2017	-	8.04
June 30, 2019	-	8.05	June 30, 2018	-	8.14
June 30, 2020	7.87	-	June 30, 2019	-	8.05
June 30, 2021	-	7.82	June 30, 2020	7.87	-
			June 30, 2021	7.82	-
Net Difference between Projected and Actual Investment Earnings on OPEB Plan Investments			Changes in Proportion		
Year of OPEB Plan Deferral:			Year of OPEB Plan Deferral:		
June 30, 2017	5.00	-	June 30, 2017	8.04	8.04
June 30, 2018	5.00	-	June 30, 2018	8.14	8.14
June 30, 2019	5.00	-	June 30, 2019	8.05	8.05
June 30, 2020	5.00	-	June 30, 2020	7.87	7.87
June 30, 2021	5.00	-	June 30, 2021	7.82	7.82

Other amounts included as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized in future periods as follows:

<u>Year Ending Dec. 31,</u>	
2022	\$ (192,294.00)
2023	(192,521.00)
2024	(192,730.00)
2025	(101,547.00)
2026	(1,492.00)
Thereafter	92,091.00
	<u>\$ (588,493.00)</u>

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Actuarial Assumptions**

The actuarial assumptions vary for each plan member depending on the pension plan in which the member is enrolled. The actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021, used the following actuarial assumptions, applied to all periods in the measurement:

Inflation Rate	2.50%
Salary Increases *	
PERS:	
Initial Fiscal Year Applied:	
Rate through 2026	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%

* salary increases are based on years of service within the respective Plan

PERS mortality rates were based on Pub-2010 General classification headcount weighted mortality with fully generational mortality improvement projections from the central year using Scale MP-2021.

Actuarial assumptions used in the valuation were based on the results of the PERS experience studies prepared for July 1, 2014 to June 30, 2018.

100% of active members are considered to participate in the Plan upon retirement.

All of the Plan's investments are in the State of New Jersey Cash Management Fund (the "CMF"). The New Jersey Division of Investments manages the CMF, which is available on a voluntary basis for investment by State and certain non-State participants. The CMF is considered to be an investment trust fund as defined in GASB Statement No. 31, *Certain Investments and External Investment Pools*. The CMF invests in U.S. government and agency obligations, commercial paper, corporate obligations and certificates of deposit. Units of ownership in the CMF may be purchased or redeemed on any given business day (excluding State holidays) at the unit cost of value of \$1.00. Participant shares are valued on a fair value basis. The CMF pay interest to participants on a monthly basis.

Discount Rate - The discount rate used to measure the OPEB liability at June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the State. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Actuarial Assumptions (Cont'd)**

Health Care Trend Assumptions - The health care trend assumptions used is as follows:

Fiscal Year Ending	Annual Rate of Increase			
	Medical Trend			Prescription
	Pre-65	PPO Post-65	HMP Post-65	Drug Trend
2021	5.65%	13.08%	13.76%	6.75%
2022	5.55%	3.34%	3.22%	6.50%
2023	5.45%	0.52%	0.17%	6.25%
2024	5.35%	7.56%	7.79%	6.00%
2025	5.20%	14.43%	15.23%	5.50%
2026	5.00%	12.55%	13.19%	5.00%
2027	4.75%	8.95%	9.29%	4.75%
2028	4.50%	5.92%	6.04%	4.50%
2029	4.50%	5.38%	5.46%	4.50%
2030	4.50%	4.86%	4.89%	4.50%
2031	4.50%	4.55%	4.56%	4.50%
2032 and Later	4.50%	4.50%	4.50%	4.50%

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The net OPEB liability, calculated using a discount rate of 2.16%, as well as using a discount rate that is 1% lower or 1% higher than the current rate used, is as follows:

	1% Decrease (1.16%)	Current Discount Rate (2.16%)	1% Increase (3.16%)
Township's Proportionate Share of the Net OPEB Liability	<u>\$ 3,411,620.00</u>	<u>\$ 2,899,045.00</u>	<u>\$ 2,492,818.00</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The net OPEB liability, using a healthcare cost trend rate that is 1% lower or 1% higher than the current healthcare cost trend rate used, is as follows:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Township's Proportionate Share of the Net OPEB Liability	<u>\$ 2,418,780.00</u>	<u>\$ 2,899,045.00</u>	<u>\$ 3,525,731.00</u>

OPEB Plan Fiduciary Net Position

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB (benefit) expense, information about the respective fiduciary net position of the State Health Benefits Local Government Retired Employees Plan and additions to/deductions from the Plan's respective fiduciary net position have been determined on the same basis as they are reported by the Plan. Accordingly, contributions (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Supplementary OPEB Information**

In accordance with GASBS No. 75, the following information is also presented for the State Health Benefits Local Government Retired Employees Plan. These schedules are presented to illustrate the requirements to show information for 10 years; however, until a full 10-year trend is compiled, this presentation will only include information for those years for which information is available.

Schedule of the Township's Proportionate Share of the Net OPEB Liability (Last Five Plan Years)

	Measurement Date Ended June 30,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Proportion of the Net OPEB Liability	0.016106%	0.015355%	0.014307%	0.015449%	0.015250%
Township's Proportionate Share of the Net OPEB Liability	\$ 2,899,045.00	\$ 2,755,702.00	\$ 1,938,036.00	\$ 2,420,336.00	\$ 3,113,408.00
Township's Covered Payroll (Plan Measurement Period)	\$ 487,475.00	\$ 565,421.00	\$ 520,763.00	\$ 591,090.00	\$ 599,644.00
Township's Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	594.71%	487.37%	372.15%	409.47%	519.21%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.28%	0.91%	1.98%	1.97%	1.03%

Schedule of the Township's Contributions (Last Five Years)

	Year Ended December 31,				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Township's Required Contributions	\$ 46,769.40	\$ 44,548.77	\$ 48,692.75	\$ 71,837.94	\$ 59,491.89
Township's Contributions in Relation to the Required Contribution	(46,769.40)	(44,548.77)	(48,692.75)	(71,837.94)	(59,491.89)
Township's Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Township's Covered Payroll (Calendar Year)	\$ 481,107.00	\$ 540,488.00	\$ 547,257.00	\$ 541,251.00	\$ 604,362.00
Township's Contributions as a Percentage of Covered Payroll	9.72%	8.24%	8.90%	13.27%	9.84%

Other Notes to Supplementary OPEB Information

Changes in Benefit Terms - The actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021, included changes due to employers adopting and /or changing Chapter 48 provisions.

Changes in Assumptions - The discount rate used as of the June 30 measurement date is as follows:

<u>Year</u>	<u>Rate</u>	<u>Year</u>	<u>Rate</u>
2021	2.16%	2018	3.87%
2020	2.21%	2017	3.58%
2019	3.50%		

The expected investment rate of return is based on guidance provided by the State. These expected rates of return are the same as the discount rates listed above.

Note 9: POSTEMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS (CONT'D)**Other Notes to Supplementary OPEB Information (Cont'd)**

In addition to changes in the discount rate, other factors that affected the valuation of the net OPEB liability included changes in the trend and updated mortality improvement assumptions.

In October 2021, the Society of Actuaries (SOA) released an updated set of life expectancy mortality improvement assumptions, Scale MP-2021. The MP-2021 scale reflects more recent mortality data for the U.S. population.

Note 10: COMPENSATED ABSENCES

Full-time employees are entitled to fifteen paid sick leave days each year. Unused sick leave may be accumulated and carried forward from year to year. Vacation days not used during the year may be accumulated and be granted during the next succeeding year only, except that vacation leave not taken in a given year because of duties directly related to State of Emergency declared by the Governor may accumulate at the discretion of the Township Committee.

The Township of Commercial compensates employees for unused sick leave and vacation days upon termination or retirement. The current policy for unused sick pay is that an employee that has reached the age of 55 and accumulated 10 years of service at the Township will be compensated for $\frac{1}{2}$ of the sick pay at the current rate of pay upon retirement. Employees hired on or after January 1, 2018 must have 25 years of service with the Township to receive this paid benefit. The unused vacation days will be paid out at the full number of days the employee has accumulated on a pro-rated basis.

The Township has established a compensated absences trust fund to set aside funds for future payments of compensated absences. At December 31, 2022, the balance of the fund was \$36,010.15. It is estimated that, at December 31, 2022, accrued benefits for compensated absences are valued at \$66,683.92.

Note 11: DEFERRED COMPENSATION SALARY ACCOUNT

The Township offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457, which has been approved by the Director of the Division of Local Government Services. The Plan, available to all full time employees at their option, permits employees to defer a portion of their salary to future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

Amounts deferred under Section 457 plans must be held in trust for the exclusive benefit of participating employees and not be accessible by the Township or its creditors. Since the Township does not have a fiduciary relationship with the Plan, the balances and activities of the Plan are not reported in the Township's financial statements.

Note 12: SANITARY LANDFILL ESCROW CLOSURE FUND

On February 21, 1996, an administrative consent order was entered into pursuant to the authority vested in the Commissioner of the New Jersey Department of Environmental Protection, the Solid Waste Management Act, the Sanitary Landfill Closure and Contingency Fund Act, and the New Jersey Water Pollution Control Act. The consent order commits Commercial Township to provide financing for Closure and Post-Closure activities at its facility, and to provide written documentation of the financing to NJDEP, and also provides stipulated penalties for any failure to do so. The sanitary landfill closure period is 1996 and the post-closure period is 1996-2026.

Note 12: SANITARY LANDFILL ESCROW CLOSURE FUND (CONT'D)

There is a financial plan that has been adopted by the Township and requires the Township to budget a pre-determined amount for these costs each year. The accumulated reserve for post-closure costs as of December 31, 2022 and 2021 was \$183,810.51 and \$183,525.50, respectively. These monies are placed in a trust fund that may not be expended without the approval of the New Jersey Department of Environmental Protection. The estimates of the required amounts are based on investment and inflation assumption factors developed by the Department of Environmental Protection. However, the escrow closure fund balance at year-end does not necessarily represent the estimated cost of closure and post closure cost as of that date. The required balance of the fund merely represents the amount required to be escrowed in accordance with the statute. Actual costs associated with closure are not known. The plan is required to be modified and updated, if necessary, every two years; however the Township is currently not in compliance with this requirement.

On February 17, 2011, the Township Committee adopted Resolution 2011-24 declaring the site of landfill and surrounding area to be an area in need of redevelopment pursuant to the Local Redevelopment and Housing Law and designating this area as the Landfill Redevelopment Area; which received New Jersey Department of Community Affairs' conditional approval on March 3, 2011. The Resolution further directed the Township Engineer to prepare a Redevelopment Plan for the Landfill Redevelopment Area.

In resolution 2012-109, adopted August 16, 2012, the Township indicated it was in negotiations to redevelop the landfill property as a solar energy power production facility.

Note 13: CAPITAL DEBT

The following schedule represents the Township's summary of debt for the current and two previous years:

	<u>2022</u>	<u>2021</u>	<u>2020</u>
<u>Issued</u>			
General:			
Bonds, Loans and Notes	\$ 748,600.00	\$ 924,250.00	\$ 1,097,900.00
<u>Authorized but not Issued</u>			
General:			
Bonds, Loans and Notes	1,300,000.00		
Total Issued and Authorized but not Issued	2,048,600.00	924,250.00	1,097,900.00
<u>Deductions</u>			
General:			
Funds Temporarily Held To Pay Debt	-	-	-
Net Debt	<u>\$ 2,048,600.00</u>	<u>\$ 924,250.00</u>	<u>\$ 1,097,900.00</u>

Note 13: CAPITAL DEBT (CONT'D)**Summary of Statutory Debt Condition - Annual Debt Statement**

The summarized statement of debt condition which follows is prepared in accordance with the required method of setting up the annual debt statement and indicated a statutory net debt of .788%.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
School Purposes	\$ 3,060,000.00	\$ 3,060,000.00	
General	2,048,600.00		\$ 2,048,600.00
	<u>\$ 5,108,600.00</u>	<u>\$ 3,060,000.00</u>	<u>\$ 2,048,600.00</u>

Net debt \$2,408,600.00 divided by the equalized valuation basis per N.J.S.A.40A:2-2, as amended, \$260,097,499.67, equals .788%.

Borrowing Power Under N.J.S.A. 40A:2-6 as Amended

3 1/2% of Equalized Valuation Basis (Municipal)	\$ 9,103,412.49
Less: Net Debt	<u>2,048,600.00</u>
Remaining Borrowing Power	<u>\$ 7,054,812.49</u>

Note 14: SCHOOL TAXES

The Township of Commercial School District tax has been raised and the liability deferred by statutes, resulting in the school tax payable set forth in the current fund liabilities as follows:

	<u>Balance December 31,</u> <u>2022</u>	<u>2021</u>
Balance of Tax	\$ 1,154,017.00	\$ 1,136,454.00
Deferred	<u>794,919.00</u>	<u>794,919.00</u>
Taxes Payable	<u>\$ 359,098.00</u>	<u>\$ 341,535.00</u>

Note 15: RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

New Jersey Unemployment Compensation Insurance - The Township has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the Township is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The Township is billed quarterly for amounts due to the State.

Note 15: RISK MANAGEMENT (CONT'D)

New Jersey Unemployment Compensation Insurance (Cont'd) - The following is a summary of Township contributions, reimbursements to the State for benefits paid and the ending balance of the Township's trust fund for the current and previous two years:

<u>Year</u>	<u>Township Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022	\$ 22,000.00	\$ 1,984.64	\$ 53.46	\$ 1,227.54	\$ 60,514.23
2021	2,000.00	1,708.44	32.85	1,156.18	37,703.67
2020	2,000.00	1,844.76	68.67	1,334.36	35,118.56

Joint Insurance Pool - The Township of Commercial is a member of the Atlantic County Municipal Insurance Joint Insurance Fund. The Fund provides its members with the following coverage:

Workers' Compensation including Employer's Liability
General Liability including Police Professional and Employee Benefit Liability
Automobile Liability
Blanket Crime including Public Employee Dishonesty
Property Including Boiler and Machinery
Public Officials and Employment Practices Liability
Volunteer Directors and Officers Liability
Cyber Liability

The following coverages are provided to the Fund's member local units by their membership in the Municipal Excess Liability Joint Insurance Fund (MEL):

Excess Workers' Compensation
Excess General Liability
Non-Owned Aircraft Liability
Excess Auto Liability
Fidelity and Performance (Blanket)
Excess Property including Boiler and Machinery
Crime including Excess Public Employee and Public Official Coverage

Environmental Impairment Liability coverage is provided to the Fund's member local units by the Fund's membership in the New Jersey Municipal Environmental Risk Management Fund.

Contributions to the Fund, including a reserve for contingencies, are payable in two installments and are based on actuarial assumptions determined by the Fund's actuary. The Commissioner of Banking and Insurance may order additional assessments to supplement the Fund's claim, loss retention, or administrative accounts to assure the payment of the Fund's obligations.

The Township's agreement with the Pool provides that the Pool will be self-sustaining through member premiums and will reinsure through the Municipal Excess Liability Joint Insurance Fund, which is an insurance pool formed by all the other joint insurance funds.

For more information regarding claims, coverages and deductibles, the Fund publishes its own financial report which can be obtained from:

Atlantic County Municipal Joint Insurance Fund
P.O. Box 489
Marlton, New Jersey 08053

Note 16: CONTINGENCIES

Grantor Agencies - Amounts received or receivable from grantor agencies could be subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Township expects such amount, if any, to be immaterial.

Litigation - The Township is a defendant in several legal proceedings that are in various stages of litigation. It is believed that the outcome, or exposure to the Township, from such litigation is either unknown or potential losses, if any, would not be material to the financial statements.

Note 17: CONCENTRATIONS

The Township depends on financial resources flowing from, or associated with, both the federal government and the State of New Jersey. As a result of this dependency, the Township is subject to changes in specific flows of intergovernmental revenues based on modifications to federal and State laws and federal and State appropriations.

Note 18: SUBSEQUENT EVENTS

Authorization of Debt - Subsequent to December 31, the Township authorized additional bonds and notes as follows:

<u>Purpose</u>	<u>Adoption</u>	<u>Authorization</u>
General Improvements		
Supplemental Funding for Port Norris Riverfront Improvement Phase 3	June 15, 2023	\$ 570,000.00

SUPPLEMENTAL EXHIBITS

SUPPLEMENTAL EXHIBITS

CURRENT FUND

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Current Cash - Chief Financial Officer
For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 1,798,625.89
Increased by Receipts:		
Tax Collector	\$ 7,664,824.16	
Township Clerk	85,166.16	
Due from State - Senior Citizens & Veterans Deductions	52,000.00	
Federal, State and Other Grant Fund	1,601,253.07	
Animal Control Trust Fund	2,001.90	
Revenue Accounts Receivable	896,957.97	
Miscellaneous Revenue Not Anticipated	11,972.41	
Uniform Construction Code Fees -Due to State of New Jersey	2,404.00	
Homestead Rebate	112,601.15	
Reserve for Municipal Relief Fund Aid	<u>24,058.66</u>	
		<u>10,453,239.48</u>
		12,251,865.37
Decreased by Disbursements:		
2021 Appropriation Reserves	130,208.68	
2022 Appropriations	2,525,516.46	
County Taxes	2,956,317.06	
Due County for Added and Omitted Taxes	5,368.96	
Local School District Taxes	2,290,471.00	
Fire District Taxes	924,905.00	
Refund Tax Overpayments	8,996.69	
Uniform Construction Code Fees -Due to State of New Jersey	2,783.00	
Federal, State and Other Grant Fund	247,336.75	
Animal Control Trust Fund	1,824.23	
Trust Other Fund	9,278.18	
General Capital Fund	<u>47,152.84</u>	
		<u>9,150,158.85</u>
Balance December 31, 2022		<u><u>\$ 3,101,706.52</u></u>

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Current Cash - Collector
For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 189,793.64
Increased by Receipts:		
Taxes Receivable	\$ 7,228,856.39	
Tax Title Liens	120,891.76	
Prepaid Taxes	169,771.56	
Tax Overpayments	10,790.98	
Revenue Accounts Receivable:		
Interest and Costs on Taxes	\$ 84,755.75	
Interest on Investments	<u>525.76</u>	
	85,281.51	
Miscellaneous Revenue Not Anticipated	<u>99.00</u>	
		<u>7,615,691.20</u>
		7,805,484.84
Decreased by Disbursements:		
Payment to Treasurer		<u>7,664,824.16</u>
Balance December 31, 2022		<u><u>\$ 140,660.68</u></u>

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Current Cash - Township Clerk
For the Year Ended December 31, 2022

Balance December 31, 2021			\$	8,738.19
Increased by Receipts:				
Revenue Accounts Receivable				
Interest Earned	\$	10.62		
Alcoholic Beverage License Fee		2,300.00		
Salt Mining Annual Fee		50,106.25		
			\$	52,416.87
Due to State of New Jersey - Marriage License Fees				225.00
Due to Federal, State and Other Grant Fund - Oyster Grant				5,655.00
Election Reimbursements (Contra)				16,024.14
Clerk - Miscellaneous Revenue Not Anticipated				12,348.00
Property Acquired for Taxes:				
Land Sale - Miscellaneous Revenue Not Anticipated				12,500.00
				<u>99,169.01</u>
				107,907.20
Decreased by Disbursements:				
Payment to Treasurer				80,811.16
Payment to Treasurer - Due to Federal, State and Other Grant Fund				4,355.00
Payment to State of New Jersey - Marriage License Fees				425.00
Election Costs (Contra)				16,024.14
				<u>101,615.30</u>
Balance December 31, 2022			\$	<u><u>6,291.90</u></u>
<u>Analysis of Balance, December 31, 2022</u>				
Due to Treasurer's Account - Revenue			\$	5,771.90
Due to Treasurer's Account - Due to Federal, State and Other Grant Fund				<u>520.00</u>
			\$	<u><u>6,291.90</u></u>

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Taxes Receivable and Analysis of Property Tax Levy
For the Year Ended December 31, 2022

Year	Balance Dec. 31, 2021	2022 Levy	Added Taxes	Collections		Canceled	Transfer to Arrears	Transferred to Tax Title Liens	Balance Dec. 31, 2022
				2021	2022				
Arrears	\$ 31,901.77	\$	\$ 17,992.35	\$	\$ 1,482.05	\$	\$ 15,957.90	\$	\$ 64,369.97
2013	662.16								662.16
2014	2,653.04								2,653.04
2015	2,770.76								2,770.76
2016	2,739.59								2,739.59
2017	2,841.15								2,841.15
2018	5,167.90						(2,219.43)		2,948.47
2019	6,072.30						(3,138.83)		2,933.47
2020	8,273.10				1,737.03		(3,385.65)		3,150.42
2021	263,411.30		4,000.00		222,718.17		(3,468.73)	37,495.50	3,728.90
	326,493.07	-	21,992.35	-	225,937.25	-	3,745.26	37,495.50	88,797.93
2022		7,876,410.71		163,445.48	7,171,403.17	25,813.20	(3,745.26)	229,792.41	282,211.19
	<u>\$ 326,493.07</u>	<u>\$ 7,876,410.71</u>	<u>\$ 21,992.35</u>	<u>\$ 163,445.48</u>	<u>\$ 7,397,340.42</u>	<u>\$ 25,813.20</u>	<u>\$ -</u>	<u>\$ 267,287.91</u>	<u>\$ 371,009.12</u>
Taxes Receivable					\$ 7,228,856.39				
Homestead Rebate					112,601.15				
Senior Citizens and Veterans					55,882.88				
					<u>\$ 7,397,340.42</u>				
<u>Analysis of 2022 Property Tax Levy</u>									
<u>Tax Yield:</u>									
General Property Tax					\$ 7,860,950.10				
Added Taxes (54:4-63.1 et. seq.)					15,460.61				
							\$ 7,876,410.71		
<u>Tax Levy:</u>									
Local School District Tax (Abstract)					\$ 2,301,487.00				
County Taxes:									
County Tax (Abstract)					\$ 2,781,706.16				
County Health Tax (Abstract)					149,284.91				
County Open Space Tax (Abstract)					25,325.99				
Due County for Added Taxes					5,806.07				
						2,962,123.13			
Fire Districts Taxes:									
Fire District No. 1					238,580.00				
Fire District No. 2					209,115.00				
Fire District No. 3					477,210.00				
						924,905.00			
Local Tax for Municipal Purposes					1,672,016.63				
Add: Additional Tax Levied - Added Taxes					9,654.54				
Add: Additional Tax Levied by Rounding of Tax Rate					6,224.41				
						1,687,895.58			
							\$ 7,876,410.71		

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Tax Title Liens
For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 1,091,106.06
Increased by:		
Transfers from Taxes Receivable	\$ 267,287.91	
Interest and Costs at Tax Sale	<u>3,601.12</u>	
		<u>270,889.03</u>
		1,361,995.09
Decreased by:		
Collections		<u>120,891.76</u>
Balance December 31, 2022		<u><u>\$ 1,241,103.33</u></u>

Exhibit SA-6

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Property Acquired for Taxes (At Assessed Valuation)
For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 2,125,300.00
Decreased by:		
Sales of Property:		
Cash - Township Clerk	\$ 12,500.00	
Loss on Sale	<u>151,700.00</u>	
		<u>164,200.00</u>
Balance December 31, 2022		<u><u>\$ 1,961,100.00</u></u>

TOWNSHIP OF COMMERCIAL
CURRENT FUND

Statement of Due From State of New Jersey - Veterans and Senior Citizens Deductions
For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 9,192.32
Increased by:		
Deductions per Tax Billing:		
Senior Citizen	\$ 30,750.00	
Veterans	23,500.00	
	<u>54,250.00</u>	
Deductions Allowed by Tax Collector - 2022 Taxes	1,750.00	
	<u>56,000.00</u>	
Deductions Disallowed by Tax Collector - 2022 Taxes	117.12	
		<u>55,882.88</u>
		65,075.20
Decreased by:		
Received from State of New Jersey	52,000.00	
Deductions Disallowed by Tax Collector - Prior Years	4,000.00	
	<u>56,000.00</u>	
Balance December 31, 2022		<u><u>\$ 9,075.20</u></u>
<u>Analysis of Amount Realized:</u>		
Senior Citizens' and Veterans' Deductions Per Tax Billings	\$ 54,250.00	
Senior Citizens' and Veterans'		
Deductions Allowed by Tax Collector - 2022 Taxes	1,750.00	
	<u>56,000.00</u>	
Less:		
Senior Citizens' and Veterans'		
Deductions Disallowed by Tax Collector - 2022 Taxes		<u>117.12</u>
		<u><u>\$ 55,882.88</u></u>

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Revenue Accounts Receivable
For the Year Ended December 31, 2022

	Accrued In 2022	Collected
Miscellaneous Revenue Anticipated:		
Fines and Costs:		
Municipal Court	\$ 15,472.71	\$ 15,472.71
Interest and Costs on Taxes	84,755.75	84,755.75
Investment Interest	5,231.08	5,231.08
Rental Property - New Jersey State Police	102,375.00	102,375.00
Rental Property - Post Office	43,685.46	43,685.46
Salt Mining Annual Fee	50,106.25	50,106.25
Alcohol Beverage License Fee	2,300.00	2,300.00
Certificate of Occupancy	4,800.00	4,800.00
Rental Registrations	60,725.00	60,725.00
Nextel Tower Rental	39,031.47	39,031.47
Energy Receipts Tax (P.L. 1997, Chapters 162 & 167)	461,213.00	461,213.00
Garden State Trust	73,093.00	73,093.00
Uniform Construction Codes Fees	47,999.00	47,999.00
Cable Franchise Fees	15,040.28	15,040.28
Payment in Lieu of Taxes	18,548.00	18,548.00
Veteran's Park Donations	8,000.00	8,000.00
Miscellaneous Revenue not Anticipated:		
Zone Applications	2,635.00	2,635.00
	<u>\$ 1,149,011.00</u>	<u>\$ 1,149,011.00</u>
Current Fund - Treasurer		\$ 896,957.97
Current Fund - Tax Collector		85,281.51
Current Fund - Township Clerk		52,416.87
Due from Animal Control Fund		3.17
Due from Trust Other Fund		351.48
		<u>\$ 1,149,011.00</u>

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2022

	<u>December 31, 2021</u>		Balance After	Disbursed /	Accounts	Balance
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>	<u>Refunded</u>	<u>Payable</u>	<u>Lapsed</u>
OPERATIONS WITHIN "CAPS":						
GENERAL GOVERNMENT FUNCTIONS:						
General Administration:						
Other Expenses	\$ 16,057.04	\$ 2,327.62	\$ 13,683.66	\$ 2,327.62	\$	\$ 11,356.04
Mayor and Committee:						
Salaries and Wages	1,666.39		1,666.39			1,666.39
Other Expenses	3,039.16		3,039.16			3,039.16
Municipal Clerk:						
Salaries and Wages	1,044.00		1,044.00			1,044.00
Other Expenses	6,566.17	1,055.98	7,622.15	1,220.31		6,401.84
Financial Administration - Treasury:						
Salaries and Wages	1,967.13		1,967.13			1,967.13
Other Expenses	6,185.99	210.28	6,396.27	210.28		6,185.99
Audit Services:						
Other Expenses	77.00		77.00			77.00
Data Processing Center:						
Other Expenses	25,594.97	537.03	26,132.00	1,441.45		24,690.55
Revenue Administration - Tax Collection:						
Salaries and Wages	3,984.69		3,984.69			3,984.69
Other Expenses	9,164.13	512.40	9,676.53	512.40		9,164.13
Tax Title Lien Manager:						
Other Expenses	4,790.00	15,000.00	19,790.00	15,000.00		4,790.00
Tax Assessment Administration:						
Salaries and Wages	310.90		310.90			310.90
Other Expenses	6,737.28	9,730.00	16,467.28	1,776.50	7,953.50	6,737.28
Legal Services:						
Other Expenses	965.73	4,485.00	5,651.73	4,485.00		1,166.73
Engineering Services:						
Other Expenses	2,675.00	35,148.50	37,823.50	32,616.50	2,532.00	2,675.00
Municipal Land Use Law (N.J.S.A 40:55D-1):						
Planning Board:						
Salaries and Wages	669.08		669.08			669.08
Other Expenses	418.03	424.94	842.97	796.86		46.11
SANITATION:						
Public Buildings and Grounds:						
Other Expenses	44,247.49	6,796.80	51,044.29	11,127.30		39,916.99
Sanitary Landfill:						
Other Expenses	11,571.51	13,506.87	25,078.38	13,506.87		11,571.51
Sanitary Sluice and Ditch:						
Other Expenses	5,000.00		5,000.00			5,000.00
PUBLIC SAFETY FUNCTIONS:						
Office Of Emergency Management:						
Salaries and Wages	836.55		836.55			836.55
Other Expenses	3,114.28		3,114.28			3,114.28
STREETS AND ROADS:						
Road Repairs and Maintenance:						
Salaries and Wages	18,069.46		18,069.46			18,069.46
Other Expenses	19,394.18	21,304.67	40,698.85	20,604.99		20,093.86
HEALTH AND HUMAN SERVICES FUNCTIONS:						
Senior Center:						
Salaries and Wages	1,630.90		1,630.90			1,630.90
Other Expenses	1,121.25		1,121.25			1,121.25
Dog Regulation:						
Other Expenses	790.85	5,761.75	8,552.60	5,761.75		2,790.85
Environmental Commission:						
Other Expenses	625.00		625.00			625.00
Community Food Bank:						
Other Expenses	930.59		930.59			930.59

(Continued)

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Appropriation Reserves
For the Year Ended December 31, 2022

	<u>December 31, 2021</u>		Balance After	Disbursed /	Accounts	Balance
	<u>Reserved</u>	<u>Encumbered</u>	<u>Transfers</u>	<u>Refunded</u>	<u>Payable</u>	<u>Lapsed</u>
<u>OPERATIONS WITHIN "CAPS": (CONT'D)</u>						
RECREATION AND EDUCATION:						
Parks and Playgrounds:						
Other Expenses	\$ 3,500.00	\$	\$ 3,500.00	\$	\$	\$ 3,500.00
Maintenance of Parks:						
Other Expenses	2,500.00		2,500.00			2,500.00
OTHER COMMON OPERATING FUNCTIONS:						
Celebration of Public Events:						
Other Expenses	3,500.00		3,500.00			3,500.00
UTILITY EXPENSES AND BULK PURCHASES:						
Electricity	1,998.03		4,498.03	4,416.26		81.77
Street Lighting	8,699.30		8,699.30	6,877.92		1,821.38
Telephone	5,233.43		5,233.43	2,128.75		3,104.68
Natural Gas	7,593.72	524.12	8,117.84	968.23		7,149.61
Gasoline and Diesel Fuel	6,850.37	2,717.69	9,568.06	2,717.69		6,850.37
Insurance:						
Liability Insurance	531.00		531.00			531.00
Group Insurance Plans for Employees	13,253.97		13,253.97			13,253.97
STATE UNIFORM CONSTRUCTION CODE:						
Construction Official:						
Salaries and Wages	6,775.04		6,775.04			6,775.04
Other Expenses	4,885.17		4,885.17			4,885.17
Housing Inspector:						
Salaries and Wages	4,671.13		4,671.13			4,671.13
Other Expenses	1,041.39	937.70	1,979.09	937.70		1,041.39
STATUTORY EXPENDITURES:						
Contribution to:						
Defined Contribution Retirement Program	306.50		306.50			306.50
Social Security System (O.A.S.I.)	2,879.93		2,879.93			2,879.93
<u>OPERATIONS EXCLUDED FROM "CAPS" :</u>						
Joint Municipal Court	12,745.46		12,745.46			12,745.46
Recycling Tax	1,332.92	694.58	2,027.50	694.58		1,332.92
Library Operations:						
Salaries and Wages	806.60		806.60			806.60
Other Expenses	2,182.61	79.72	2,262.33	79.72		2,182.61
Municipal Alliance for Alcohol and Drug Abuse - Grant Match	0.25		0.25			0.25
GRAND TOTAL	\$ 290,531.57	\$ 121,755.65	\$ 412,287.22	\$ 130,208.68	\$ 10,485.50	\$ 271,593.04

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Prepaid Taxes
For the Year Ended December 31, 2022

Balance December 31, 2021 (2022) Taxes		\$ 163,445.48
Increased by:		
Collection (2023) Taxes	\$ 169,771.56	
Transfer from Overpayments	<u>2,974.29</u>	
		<u>172,745.85</u>
		336,191.33
Decreased by:		
Application to 2022 Taxes		<u>163,445.48</u>
Balance December 31, 2022 (2023) Taxes		<u>\$ 172,745.85</u>

Exhibit SA-11

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Tax Overpayments
For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 2,465.66
Accrued in 2022:		
Cash Received		<u>10,790.98</u>
		13,256.64
Decreased by:		
Refunds	\$ 8,996.69	
Canceled	1,285.66	
Transferred to Prepaid Taxes	<u>2,974.29</u>	
		<u>\$ 13,256.64</u>

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of County Taxes Payable
For the Year Ended December 31, 2022

Accrued in 2022:

2022 Levy:

County General	\$ 2,781,706.16
County Health Services Taxes	149,284.91
County Open Space	<u>25,325.99</u>

\$ 2,956,317.06

Decreased by:

Disbursements	\$ <u><u>2,956,317.06</u></u>
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Exhibit SA-13

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Amount Due to County For Added Taxes
For the Year Ended December 31, 2022

Balance December 31, 2021	\$ 5,368.96
Increased by:	
County Share of Added Taxes	<u>5,806.07</u>
	11,175.03
Decreased by:	
Disbursements	<u>5,368.96</u>
Balance December 31, 2022	\$ <u><u>5,806.07</u></u>

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Local School District Tax
For the Year Ended December 31, 2022

Balance December 31, 2021		
School Tax Payable	\$	341,535.00
School Tax Deferred		<u>794,919.00</u>
		\$ 1,136,454.00
Increased by:		
Accrued in 2022:		
Levy-School Fiscal Year (July 1, 2022 to June 30, 2023)		2,301,487.00
Budget Appropriation - Business Personal Property Tax		
Appreciation Adjustment		<u>6,547.00</u>
		<u>2,308,034.00</u>
		3,444,488.00
Decreased by:		
Disbursements		<u>2,290,471.00</u>
Balance December 31, 2022		
School Tax Payable		359,098.00
School Tax Deferred		<u>794,919.00</u>
		\$ <u><u>1,154,017.00</u></u>
2022 Liability for Local District School Tax:		
Tax Paid	\$	2,290,471.00
Tax Payable December 31, 2022		<u>359,098.00</u>
		2,649,569.00
Less: Tax Payable December 31, 2021		<u>341,535.00</u>
Subtotal		2,308,034.00
Less: Business Personal Property Tax Appreciation Adjustment		<u>6,547.00</u>
Amount Charged to 2022 Operation	\$	<u><u>2,301,487.00</u></u>

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Due to Fire Districts
For the Year Ended December 31, 2022

Accrued in 2022:

Levy-Calendar Year:

Fire District No. 1	\$ 238,580.00	
Fire District No. 2	209,115.00	
Fire District No. 3	<u>477,210.00</u>	
		\$ 924,905.00

Decreased by:

Disbursements:

Fire District No. 1	238,580.00	
Fire District No. 2	209,115.00	
Fire District No. 3	<u>477,210.00</u>	
		\$ <u><u>924,905.00</u></u>

Exhibit SA-16

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Due to State of New Jersey - Marriage License Fees
For the Year Ended December 31, 2022

Balance December 31, 2021	\$ 200.00
Increased by:	
Receipts by Township Clerk	<u>225.00</u>
	425.00
Decreased by:	
Payments by Township Clerk	\$ <u><u>425.00</u></u>

TOWNSHIP OF COMMERCIAL
CURRENT FUND
Statement of Due State of New Jersey
Uniform Construction Code - State Training Fees
For the Year Ended December 31, 2022

Balance December 31, 2021	\$	901.00
Increased by:		
Receipts		<u>2,404.00</u>
		3,305.00
Decreased by:		
Payments		<u>2,783.00</u>
Balance December 31, 2022	\$	<u><u>522.00</u></u>

TOWNSHIP OF COMMERCIAL
CURRENT FUND

Statement of Due from / to Federal, State and Other Grant Fund
For the Year Ended December 31, 2022

Balance December 31, 2021 Due From	\$ 621,737.09
Increased by:	
Operations:	
Cancellation of Federal, State and Other Grants Appropriated	\$ 141,577.63
Realized as Current Fund Revenue - Grants Unappropriated	114,000.00
Expenditures Paid by the Current Fund - Grants Appropriated	<u>247,336.75</u>
	<u>502,914.38</u>
	1,124,651.47
Decreased by:	
Local Match Due from Current Fund - Grants Appropriated	30,164.50
Grants Receivable Canceled	138,064.65
Cash Received in Current Fund:	
Grants Receivable	\$ 1,601,253.07
Reimbursements to Grants Appropriated - Clerk's Cash	<u>5,655.00</u>
	<u>1,606,908.07</u>
	<u>1,775,137.22</u>
Balance December 31, 2022 Due To	<u>\$ (650,485.75)</u>

Exhibit SA-19

TOWNSHIP OF COMMERCIAL
FEDERAL, STATE AND OTHER GRANT FUND
Statement to General Capital Fund
For the Year Ended December 31, 2022

Accrued in 2022:	
Transfer of Unappropriated Grant Reserve to Finance Improvement Authorization	\$ 42,000.00
Transfer of Appropriated Grant Reserve to Finance Improvement Authorization	1,261,500.00
Reimbursement from General Capital Fund for Prior Year Expenditures	<u>38,500.00</u>
	\$ 1,303,500.00
Decreased by:	
Transfer of Grants Receivable to Genral Capital Fund	<u>1,300,000.00</u>
	<u>\$ 3,500.00</u>
Balance December 31, 2022	

TOWNSHIP OF COMMERCIAL
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Federal, State and Other Grants Receivable
For the Year Ended December 31, 2022

<u>Program</u>	<u>Balance Dec. 31, 2021</u>	<u>Transferred to General Capital Fund</u>	<u>Accrued</u>	<u>Received in Current Fund</u>	<u>Canceled</u>	<u>Balance Dec. 31, 2022</u>
Federal Grants:						
Federal Emergency Management Agency						
Bivalve Shore Protection	\$ 30,975.00	\$	\$	\$	\$ 30,975.00	\$
American Rescue Plan			257,275.31	257,275.31		
Total Federal Grants	30,975.00	-	257,275.31	257,275.31	30,975.00	-
State Grants:						
New Jersey Transportation Trust Fund Authority Act of 1984						
Doris, Ferry, and Maurice Roads	11,274.60				11,274.60	
Raymond Drive Phase III	20,800.05				20,800.05	
Red Fern Drive	126,945.00			126,945.00		
Keron Dr & Parsons Lane	101,350.00			90,689.24		10,660.76
Cobb & Brown			310,000.00	232,500.00		77,500.00
NJDOT Freight Impact Fund - Phase I	413,696.62			270,166.39		143,530.23
NJDOT Freight Impact Fund - Riverfront Roadway Improvement Phase II	600,000.00			600,000.00		
2021 NJDOT Freight Impact Fund - Riverfront Roadway Improvement Phase 3	1,300,000.00	(1,300,000.00)				
NJDOT - 2022 Freight Impact Fund - High and Yock Wock Roads			900,000.00			900,000.00
NJDOT - 2022 Freight Impact Fund - Mill Overlay of Main Strawberry Ave			900,000.00			900,000.00
NJ Department of Environmental Protection Bivalve Shore Protection	75,000.00				75,000.00	
Municipal Alliance Grant	8,770.34		4,658.00			13,428.34
Recycling Tonnage Grant			4,145.13	4,145.13		
2014 ANJEC Grant - Lake Audrey Project	15.00				15.00	
Clean Communities Grant	280.57		17,447.61	17,447.61		280.57
Total State Grants	2,658,132.18	(1,300,000.00)	2,136,250.74	1,341,893.37	107,089.65	2,045,399.90
Local Grants:						
JIF Wellness Incentive Program	1,303.54		275.00	271.65		1,306.89
JIF Optional Safety Budget Program	1,491.30		2,000.00	184.57		3,306.73
JIF EPL/Cyber Risk Management Awards	1,050.00		725.00	465.00		1,310.00
JIF Safety Incentive Program Awards	1,556.13		1,500.00	1,163.17		1,892.96
2022 Local Recreation Improvement Grant			50,000.00			50,000.00
Total Local Grants	5,400.97	-	54,500.00	2,084.39	-	57,816.58
	\$ 2,694,508.15	\$ (1,300,000.00)	\$ 2,448,026.05	\$ 1,601,253.07	\$ 138,064.65	\$ 2,103,216.48

TOWNSHIP OF COMMERCIAL
FEDERAL, STATE AND OTHER GRANT FUND
Statement of Reserve for Federal, State and Other Grants - Unappropriated
For the Year Ended December 31, 2022

<u>Program</u>	<u>Balance Dec. 31, 2021</u>	<u>Transferred to Grants Receivable</u>	<u>Realized as Revenue</u>	<u>Transferred to General Capital Fund</u>	<u>Balance Dec. 31, 2022</u>
Federal Grant:					
American Rescue Plan	\$ 257,275.30	\$ 257,275.31	\$ 166,400.00	\$ 42,000.00	\$ 306,150.61
Total Federal Grants	257,275.30	257,275.31	166,400.00	42,000.00	306,150.61
State Grants:					
Municipal Alliance for Alcohol and Drug Abuse		4,658.00	4,658.00		
NJDOT - Municipal Aid Program - Cobb & Brown		310,000.00	310,000.00		
NJDOT - 2022 Freight Impact Fund - High and Yock Wock Roads		900,000.00	900,000.00		
NJDOT - 2022 Freight Impact Fund - Mill Overlay of Main Strawberry Ave		900,000.00	900,000.00		
Clean Communities Grant		17,447.61	17,447.61		
Recycling Tonnage Grant		4,145.13	4,145.13		
Total State Grants	-	2,136,250.74	2,136,250.74	-	-
Other Grants					
JIF Wellness Incentive Program		275.00	275.00		
JIF Optional Safety Budget Program		2,000.00	2,000.00		
JIF EPL/Cyber Risk Management Awards		725.00	725.00		
JIF Safety Incentive Program Awards		1,500.00	1,500.00		
2022 Local Recreation Improvement Grant		50,000.00	50,000.00		
Total Other Grants	-	54,500.00	54,500.00	-	-
	<u>\$ 257,275.30</u>	<u>\$ 2,448,026.05</u>	<u>\$ 2,357,150.74</u>	<u>\$ 42,000.00</u>	<u>\$ 306,150.61</u>
Public and Private Revenues Offset With Appropriations			\$ 2,243,150.74		
Other Special Items with Prior Written Consent			114,000.00		
			<u>\$ 2,357,150.74</u>		

TOWNSHIP OF COMMERCIAL
FEDERAL , STATE AND OTHER GRANT FUND
Statement of Reserve For Federal, State and Other Grants - Appropriated
For the Year Ended December 31, 2022

Program	Balance December 31, 2021		Transferred from 2022 Budget Appropriation	Decreases	Balance Dec. 31, 2022
	Reserved	Encumbered			
Federal Grants:					
Department of Housing and Urban Development					
Laurel Lake Small Cities Grant	\$ 746.00	\$	\$	746.00	\$
Federal Emergency Management Agency					
Bivalve Shore Protection	11,535.00			11,535.00	
Dike	17,223.79			4,490.17	12,733.62
American Rescue Plan - Brown Street			52,400.00	52,400.00	
Total Federal Grants	29,504.79	-	52,400.00	69,171.17	12,733.62
State Grants:					
New Jersey Transportation Trust Fund Authority Act of 1984					
Raymond Drive Phase III	25,800.05			25,800.05	
Whitter, Iris, Magnolia	9,708.98			9,708.98	
Red Fern Drive		10,214.28		10,214.28	
Red Fern Drive - Local Match	160.00				160.00
Keron Dr & Parsons Lane	5,400.00	11,143.87		11,143.87	5,400.00
Keron Dr & Parsons Lane - Local Match	4,550.00				4,550.00
Cobb & Brown			310,000.00	310,000.00	
Cobb & Brown - Local Match			29,000.00	29,000.00	
2019 Freight Impact Fund Phase I - Loal match	3,000.00				3,000.00
2020 Freight Impact Fund	137,089.50	110,775.43		110,775.43	137,089.50
2020 Freight Impact Fund - Match	75.00				75.00
2021 Freight Impact Fund	1,245,000.00	16,500.00		1,261,500.00	
2022 NJDOT - Freight Impact Fund - High and Yock Wock Roads			900,000.00	93,000.00	807,000.00
2022 NJDOT - Freight Impact Fund - Mill Overlay of Main Strawberry Ave			900,000.00	45,000.00	855,000.00
NJ Department of Environmental Protection					
Bivalve Shore Protection	75,000.00			75,000.00	
Bivalve Shore Protection Match	18,750.00			18,750.00	

(Continued)

TOWNSHIP OF COMMERCIAL
FEDERAL , STATE AND OTHER GRANT FUND
Statement of Reserve For Federal, State and Other Grants - Appropriated
For the Year Ended December 31, 2022

Program	Balance December 31, 2021		Transferred from 2022 Budget Appropriation	Decreases	Balance Dec. 31, 2022
	Reserved	Encumbered			
State Grants (Cont'd):					
Clean Communities Act	\$ 19,768.38	\$ 1,000.00	\$ 17,447.61	\$ 34,801.34	\$ 3,414.65
Oyster Grant Revolving Fund	40,973.00			(5,655.00)	46,628.00
ANJEC Grant	15.00			15.00	
Recycling Tonnage Grant	29,466.40		4,145.13	5,845.00	27,766.53
Alcohol Education and Rehabilitation	2,298.57				2,298.57
Municipal Drug Alliance	8,851.53		4,658.00	4,658.00	8,851.53
Municipal Drug Alliance - Grant Match	375.00		1,164.50	1,137.62	401.88
Total State Grants	<u>1,626,281.41</u>	<u>149,633.58</u>	<u>2,166,415.24</u>	<u>2,040,694.57</u>	<u>1,901,635.66</u>
Local Grants:					
JIF Safety Awards Program	5,450.22		1,500.00	566.00	6,384.22
JIF EPL/Cyber Risk Management Awards	1,354.01		725.00	725.00	1,354.01
Petsmart Charities Grant	22.60			22.60	
JIF Wellness Incentive Program	1,101.88		275.00	767.39	609.49
JIF Optional Safety Budget Program	2,147.27		2,000.00	402.10	3,745.17
2022 Local Recreation Improvement Fund			50,000.00		50,000.00
Total Local Grants	<u>10,075.98</u>	<u>-</u>	<u>54,500.00</u>	<u>2,483.09</u>	<u>62,092.89</u>
	<u>\$ 1,665,862.18</u>	<u>\$ 149,633.58</u>	<u>\$ 2,273,315.24</u>	<u>2,112,348.83</u>	<u>\$ 1,976,462.17</u>
Realized as Revenue in Budget			\$ 2,243,150.74		
Local Match - Due from Current Fund			30,164.50		
Refunds Received in Current Fund				\$ (5,655.00)	
Transferred to General Capital Fund				1,261,500.00	
Expenditures Paid by Current Fund				247,336.75	
Encumbered				467,589.45	
Canceled				141,577.63	
			<u>\$ 2,273,315.24</u>	<u>\$ 2,112,348.83</u>	

SUPPLEMENTAL EXHIBITS

TRUST FUND

TOWNSHIP OF COMMERCIAL
TRUST FUND
Statement of Trust Cash - Chief Financial Officer
For the Year Ended December 31, 2022

	<u>Animal Control</u>	<u>Trust Other</u>	
Balance December 31, 2021	\$ 1,885.67		\$ 342,991.08
Increased by Receipts:			
Animal Control Fees	\$ 1,843.80		
Due to State of New Jersey - Animal Control	847.80		
Due Current Fund	177.67		
Fish and Game - Due State/Agent		\$ 52.39	
Miscellaneous Trust Reserves:		2,923.75	
Unemployment		\$ 2,038.10	
Sanitary Landfill Closure:			
Post Closure Landfill Escrow		238.30	
DEP Closure Escrow Account		46.71	
Recreational Donations		605.00	
Reserve for Veterans' Park		7,143.46	
Planning Board Escrow		7,766.33	
Accumulated Absences		10,050.54	
Net Payroll		556,843.63	
Payroll Taxes Payable		462,998.34	
	<u>2,869.27</u>	<u>1,047,730.41</u>	<u>1,050,706.55</u>
	4,754.94		1,393,697.63
Decreased by Disbursements:			
Due to State of New Jersey - Animal Control	847.80		
Due Current Fund	2,001.90		
Fish and Game - Due State/Agent		2,657.25	
Miscellaneous Trust Reserves			
Unemployment		150.92	
Recreational Donations		994.27	
Veteran's Park		8,000.00	
Planning Board Escrow		8,015.72	
Accumulated Absences		48,321.16	
Net Payroll		556,843.63	
Payroll Taxes Payable		466,497.99	
	<u>2,849.70</u>	<u>1,088,823.69</u>	<u>1,091,480.94</u>
Balance December 31, 2022	<u>\$ 1,905.24</u>		<u>\$ 302,216.69</u>

TOWNSHIP OF COMMERCIAL
TRUST FUND
Trust Other Fund
Statement of Trust Cash - Tax Collector
For the Year Ended December 31, 2022

Balance December 31, 2021		\$	98,442.44
Increased by Receipts:			
Interest Earned -- Due to Current Fund	\$	299.09	
Miscellaneous Trust Reserves and Liabilities:			
Tax Sale Certificates		273,556.65	
Tax Sale Premiums		<u>272,600.00</u>	
			<u>546,455.74</u>
			644,898.18
Decreased by Disbursements:			
Miscellaneous Trust Reserves and Liabilities:			
Tax Sale Certificates		285,429.13	
Tax Sale Premiums		<u>243,700.00</u>	
			<u>529,129.13</u>
Balance December 31, 2022		\$	<u><u>115,769.05</u></u>

TOWNSHIP OF COMMERCIAL
TRUST FUND
 Animal Control Fund
 Statement of to Current Fund
 For the Year Ended December 31, 2022

Accrued in 2022:

Receipts:

Interest Earned	\$	3.17
Cat License Fees Collected		<u>174.50</u>

\$ 177.67

Animal Control Expenditures Paid by Current Fund

1,824.23

\$ 2,001.90

Decreased by:

Disbursements	\$	<u><u>2,001.90</u></u>
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Exhibit SB-4

TOWNSHIP OF COMMERCIAL
TRUST FUND
 Animal Control Fund
 Statement of Due to State of New Jersey - Department of Health
 For the Year Ended December 31, 2022

Accrued in 2022:

2022 State License Fees	\$	847.80
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Decreased by:

Disbursements to the State	\$	<u><u>847.80</u></u>
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TOWNSHIP OF COMMERCIAL
TRUST FUND
Animal Control Fund
Statement of Reserve for Animal Control Fund Expenditures
For the Year Ended December 31, 2022

Balance December 31, 2021	\$	1,885.67
Increased by:		
Dog License Fees Collected		<u>1,843.80</u>
		3,729.47
Decreased by:		
Expenditures Under N.J.S.A. 4:19-15.1		
Disbursed by Current Fund		<u>1,824.23</u>
Balance December 31, 2022	\$	<u><u>1,905.24</u></u>

License Fees Collected	
Year	Amount
2020	\$ 2,847.75
2021	<u>2,165.05</u>
	<u><u>\$ 5,012.80</u></u>

TOWNSHIP OF COMMERCIAL
TRUST FUND
Trust Other Fund
Statement of Due from Current Fund
For the Year Ended December 31, 2022

Balance December 31, 2021			\$	41,115.38
Increased by:				
Miscellaneous Trust Reserves:				
2022 Budget Appropriation:				
Reserve for Unemployment Insurance	\$	22,000.00		
Reserve for Storm Recovery		<u>8,450.00</u>		
				<u>30,450.00</u>
				71,565.38
Decreased by:				
Amounts Disbursed in Current Fund:				
Unemployment Insurance	\$	1,076.62		
Vacant Property Code Enforcement		3,127.00		
Storm Recovery		<u>5,074.56</u>		
				9,278.18
Interest Collected in Payroll Account by Treasurer		52.39		
Interest Collected by Tax Collector		<u>299.09</u>		
				<u>351.48</u>
				<u>9,629.66</u>
Balance December 31, 2022			\$	<u><u>61,935.72</u></u>
<u>Analysis of Balance December 31, 2022</u>				
Storm Recovery Trust	\$	25,325.44		
Payroll		(524.16)		
Unemployment Trust Fund		24,242.38		
Vacant Property Code Enforcement		13,729.13		
Tax Title Lien/Tax Sale Premium Account		<u>(837.07)</u>		
			\$	<u><u>61,935.72</u></u>

TOWNSHIP OF COMMERCIAL
TRUST FUND
 Trust Other Fund
 Statement of Due to State/Agent
 For the Year Ended December 31, 2022

Balance December 31, 2021		\$ 660.49
Increased by:		
Interest Earned	\$ 1.00	
Fish and Game License Fees Collected	<u>2,922.75</u>	
		<u>2,923.75</u>
		3,584.24
Decreased by:		
Paid to State of New Jersey		<u>2,657.25</u>
Balance December 31, 2022		<u><u>\$ 926.99</u></u>
<u>Analysis of Balance December 31, 2022</u>		
Due to the State of New Jersey		\$ 309.75
Due to Agent		408.00
Unallocated		<u>209.24</u>
		<u><u>\$ 926.99</u></u>

TOWNSHIP OF COMMERCIAL
TRUST FUND
Trust Other Fund
Statement of Miscellaneous Trust Reserves and Liabilities
For the Year Ended December 31, 2022

	Balance	Receipts Fees, Refunds and Donations			Disbursements			Balance
	Dec. 31, 2021	Treasurer	Collector	Due from Current Fund	Treasurer	Collector	Disbursed in Current Fund	Dec. 31, 2022
Deposits for Redemption of								
Tax Sale Certificates	\$ 12,604.46	\$	\$ 273,556.65	\$	\$	\$ 285,429.13	\$	\$ 731.98
Reserve for Tax Sale Premiums	85,300.00		272,600.00			243,700.00		114,200.00
Reserve for Unemployment	37,703.67	2,038.10		22,000.00	150.92		1,076.62	60,514.23
Reserve for Sanitary Landfill Closure:								
Post Closure Landfill Escrow	153,448.62	238.30						153,686.92
DEP Closure Escrow Account	30,076.88	46.71						30,123.59
Recreational Donations	8,269.78	605.00			994.27			7,880.51
Reserve for Veterans' Park	8,811.49	7,143.46			8,000.00			7,954.95
Reserve for Planning Board Escrow	24,512.75	7,766.33			8,015.72			24,263.36
Reserve for Accumulated Absences	74,280.77	10,050.54			48,321.16			36,010.15
Reserve for Storm Recovery	21,950.00			8,450.00			5,074.56	25,325.44
Reserve for Vacant Property Code Enforcement	16,856.13						3,127.00	13,729.13
Net Payroll		556,843.63			556,843.63			
Payroll Taxes Payable	8,073.86	462,998.34			466,497.99			4,574.21
	<u>\$ 481,888.41</u>	<u>\$ 1,047,730.41</u>	<u>\$ 546,156.65</u>	<u>\$ 30,450.00</u>	<u>\$ 1,088,823.69</u>	<u>\$ 529,129.13</u>	<u>\$ 9,278.18</u>	<u>\$ 478,994.47</u>

SUPPLEMENTAL EXHIBITS

GENERAL CAPITAL FUND

TOWNSHIP OF COMMERCIAL
GENERAL CAPITAL FUND
 Analysis of General Capital Cash
 For the Year Ended December 31, 2022

	Balance (Deficit) Dec. 31, 2021	Transfers		Balance (Deficit) Dec. 31, 2022
		From	To	
Capital Improvement Fund	\$ 81,110.69	\$ 76,000.00	\$ 17,600.00	\$ 22,710.69
Reserve for Encumbrances			219,099.00	219,099.00
Reserve for Buildings and Grounds	58,018.00			58,018.00
Reserve for Equipment Replacement	34,500.00	8,000.00		26,500.00
Reserve for Road Improvements	3,073.30			3,073.30
Due from Current Fund	(328,249.50)	32,600.00	47,152.84	(313,696.66)
Due from Federal, State and Other Grant Fund		42,000.00	38,500.00	(3,500.00)
<u>Improvement Authorizations:</u>				
<u>Ordinance</u>				
<u>Date</u>				
04-455 Various General Improvements	4,010.00	1,596.51		2,413.49
07-479 / 11-524 Purchase of Building Generator, Engineering Fees, Purchase of 2 YD Dump Truck & Road Repairs	3,088.30			3,088.30
13-544 Library Renovations	396.00			396.00
16-577 Acquisition of A Side-Arm Tractor	2,702.87			2,702.87
17-583 Funding of an Emergency Appropriation for Road and and Drainage Repairs	18,617.39			18,617.39
18-587 Construction of Veterans Memorial Park	21,730.70	175.00		21,555.70
18-593 Laurel Lake Drainage Phase III Supplemental	5,903.25			5,903.25
20-603 Various Capital Improvements	95,099.00	95,099.00		
22-611 Equipment Repair		7,881.33	8,000.00	118.67
22-612 Local Freight Impact Fund Port Norris Riverfront Improvement Phase 3		185,000.00		(185,000.00)
22-609 Municipal Building Renovation and COVID Mitigation			118,000.00	118,000.00
22-613 Supplemental Funding Local Freight Impact Fund Port Norris Riverfront Improvement Phase 3		15,000.00	15,000.00	
	\$ -	\$ 463,351.84	\$ 463,351.84	\$ -

TOWNSHIP OF COMMERCIAL
GENERAL CAPITAL FUND
Statement of Due from Current Fund
For the Year Ended December 31, 2022

Balance December 31, 2021	\$ 328,249.50
Increased by:	
2022 Budget Appropriation:	
Capital Improvement Fund	\$ 17,600.00
Matching Funds for Grants	<u>15,000.00</u>
	<u>32,600.00</u>
	360,849.50
Decreased by:	
Amounts Disbursed in Current Fund:	
Improvement Authorizations Expenditures	<u>47,152.84</u>
Balance December 31, 2022	<u><u>\$ 313,696.66</u></u>

Exhibit SC-3

TOWNSHIP OF COMMERCIAL
GENERAL CAPITAL FUND
Statement of Due from Federal, State and Other Grant Fund
For the Year Ended December 31, 2022

Accrued in 2022:	
Unappropriated Grant Reserve to Finance Improvement Authorizations	\$ 42,000.00
Decreased by:	
Reimbursements to Grant Fund for Prior Year Expenditures	<u>38,500.00</u>
Balance December 31, 2022	<u><u>\$ 3,500.00</u></u>

TOWNSHIP OF COMMERCIAL
GENERAL CAPITAL FUND
Statement of Deferred Charges to Future Taxation - Unfunded
For the Year Ended December 31, 2022

Ordinance No.	Improvement Description	Balance Dec. 31, 2021	2022 Authorizations	Notes Funded by Budget Appropriation	Balance Dec. 31, 2022	Analysis of Balance Dec. 31, 2022		
						Financed by Bond Anticipation Notes	Expended	Unexpended Improvement Authorization
11-520	Various General Improvements	\$ 52,000.00	\$	\$ 52,000.00	\$	\$	\$	\$
07-479/11-524	Purchase of Building Generator, Engineering Fees, Purchase of a 2 Yard Dump Truck and Road Repairs	38,500.00		20,000.00	18,500.00	18,500.00		
07-483/11-525	Road and Drainage Improvements	40,500.00		21,000.00	19,500.00	19,500.00		
15-566	Acquisition and Renovation of Certain Property	57,000.00		11,400.00	45,600.00	45,600.00		
16-577	Acquisition of A Side-Arm Tractor	57,000.00		11,400.00	45,600.00	45,600.00		
16-578	Installation of Street Lighting in Haleyville	61,750.00		12,350.00	49,400.00	49,400.00		
17-583	Funding of an Emergency Appropriation for Road and Drainage Repairs	178,125.00		35,625.00	142,500.00	142,500.00		
18-587	Construction of Veterans Memorial Park	59,375.00		11,875.00	47,500.00	47,500.00		
20-603	Various Capital Improvements	380,000.00			380,000.00	380,000.00		
22-612	Local Freight Impact Fund Port Norris Riverfront Improvement Phase 3		1,300,000.00		1,300,000.00		185,000.00	1,115,000.00
		<u>\$ 924,250.00</u>	<u>\$ 1,300,000.00</u>	<u>\$ 175,650.00</u>	<u>\$ 2,048,600.00</u>	<u>\$ 748,600.00</u>	<u>\$ 185,000.00</u>	<u>\$ 1,115,000.00</u>
	Improvement Authorizations - Unfunded							\$ 1,160,964.26
	Less:							
	Unexpended Balance of Notes:							
07-479/11-524	Purchase of Building Generator, Engineering Fees, Purchase of a 2 Yard Dump Truck and Road Repairs						\$ 3,088.30	
16-577	Acquisition of A Side-Arm Tractor						2,702.87	
17-583	Funding of an Emergency Appropriation for Road and Drainage Repairs						18,617.39	
18-587	Construction of Veterans Memorial Park						<u>21,555.70</u>	
								<u>45,964.26</u>
								<u>\$ 1,115,000.00</u>

TOWNSHIP OF COMMERCIAL
GENERAL CAPITAL FUND
Statement of Improvement Authorizations
For the Year Ended December 31, 2022

Improvement Description	Ord. No.	Ordinance		Dec. 31, 2021		2022 Authorizations	Paid or Charged	Dec. 31, 2022	
		Date	Amount	Funded	Unfunded			Funded	Unfunded
Various General Improvements	04-455	5/23/02	\$ 151,000.00	\$	\$	\$	\$	\$	\$
		3/18/04	600,000.00	4,010.00			1,596.51	2,413.49	
Purchase of a Building Generator, Engineering Fees, Purchase of a 2 Yard Dump Truck and Road Repairs	07-479 / 11-524	4/19/07	150,000.00		3,088.30				3,088.30
Library Renovations	13-544	6/20/13	18,768.97	396.00				396.00	
Acquisition of A Side-Arm Tractor	16-577	6/16/16	120,000.00		2,702.87				2,702.87
Funding of an Emergency Appropriation for Road and Drainage Repairs	17-583	10/19/17	300,000.00		18,617.39				18,617.39
Construction of Veterans Memorial Park	18-587	2/15/18	100,000.00		21,730.70		175.00		21,555.70
Laurel Lake Drainage Phase III Supplemental	18-593	10/18/18	19,000.00	5,903.25				5,903.25	
Various Capital Improvements	20-603	10/15/20	400,000.00		95,099.00		95,099.00		
Equipment Repair	22-611	3/17/22	8,000.00			8,000.00	7,881.33	118.67	
Local Freight Impact Fund Port Norris Riverfront Improvement Phase 3	22-612	5/19/22	1,300,000.00			1,300,000.00	185,000.00		1,115,000.00
Municipal Building Renovation and COVID Mitigation	22-609	12/15/22	118,000.00			118,000.00		118,000.00	
Supplemental Funding Local Freight Impact Fund Port Norris Riverfront Improvement Phase 3	22-613	12/15/22	15,000.00			15,000.00	15,000.00		
				<u>\$ 10,309.25</u>	<u>\$ 141,238.26</u>	<u>\$ 1,441,000.00</u>	<u>\$ 304,751.84</u>	<u>\$ 126,831.41</u>	<u>\$ 1,160,964.26</u>
Capital Improvement Fund						\$ 76,000.00			
Due from Current Fund - Matching Funds for Grants						15,000.00			
Deferred Charges to Future Taxation - Unfunded						1,300,000.00			
Due from Federal, State and Other Grant Fund						42,000.00			
Reserve for Equipment Replacement						8,000.00			
						<u>\$ 1,441,000.00</u>			
Encumbered							\$ 219,099.00		
Expenditures Paid by Current Fund							47,152.84		
Due from Federal, State and Other Grant Fund							<u>38,500.00</u>		
							<u>\$ 304,751.84</u>		

TOWNSHIP OF COMMERCIAL
GENERAL CAPITAL FUND
Statement of Capital Improvement Fund
For the Year Ended December 31, 2022

Balance December 31, 2021	\$ 81,110.69
Increased by:	
2022 Budget Appropriation--Due from Current Fund	<u>17,600.00</u>
	98,710.69
Decreased by:	
Appropriations to Finance Improvement Authorizations	<u>76,000.00</u>
Balance December 31, 2022	<u><u>\$ 22,710.69</u></u>

Exhibit SC-7

TOWNSHIP OF COMMERCIAL
GENERAL CAPITAL FUND
Statement of Reserve for Equipment
For the Year Ended December 31, 2022

Balance December 31, 2021	\$ 34,500.00
Decreased by:	
Appropriations to Finance Improvement Authorizations	<u>8,000.00</u>
Balance December 31, 2022	<u><u>\$ 26,500.00</u></u>

TOWNSHIP OF COMMERCIAL
GENERAL CAPITAL FUND
Statement of Bond Anticipation Notes
For the Year Ended December 31, 2022

Ordinance Number	Improvement Description	Date of Original Issue	Date of Issue	Maturity Date	Interest Rate	Balance Dec. 31, 2021	Increased	Decreased	Balance Dec. 31, 2022
11-520	Various Capital Improvements	08/17/11	04/22/21	04/22/22	0.345%	\$ 52,000.00	\$	\$ 52,000.00	\$
07-479/11-524	Purchase of Building Generator, Engineering Fees, Purchase of a 2 Yard Dump Truck and Road Repairs	08/17/12	04/22/21 04/21/22	04/22/22 04/21/23	0.345% 1.700%	38,500.00	18,500.00	38,500.00	18,500.00
07-483/11-525	Road and Drainage Improvements	08/17/12	04/22/21 04/21/22	04/22/22 04/21/23	0.345% 1.700%	40,500.00	19,500.00	40,500.00	19,500.00
15-566	Acquisition and Renovation of Certain Property	05/02/16	04/22/21 04/21/22	04/22/22 04/21/23	0.345% 1.700%	57,000.00	45,600.00	57,000.00	45,600.00
16-577	Acquisition of A Side-Arm Tractor	04/27/17	04/22/21 04/21/22	04/22/22 04/21/23	0.345% 1.700%	57,000.00	45,600.00	57,000.00	45,600.00
16-578	Installation of Street Lighting in Haleyville	04/27/17	04/22/21 04/21/22	04/22/22 04/21/23	0.345% 1.700%	61,750.00	49,400.00	61,750.00	49,400.00
17-583	Funding of an Emergency Appropriation for Road and Drainage Repairs	04/26/18	04/22/21 04/21/22	04/22/22 04/21/23	0.345% 1.700%	178,125.00	142,500.00	178,125.00	142,500.00
18-587	Construction of Veterans Memorial Park	04/26/18	04/22/21 04/21/22	04/22/22 04/21/23	0.345% 1.700%	59,375.00	47,500.00	59,375.00	47,500.00
20-603	Various Capital Improvements	11/10/20	04/22/21 04/21/22	04/22/22 04/21/23	0.345% 1.700%	380,000.00	380,000.00	380,000.00	380,000.00
						<u>\$ 924,250.00</u>	<u>\$ 748,600.00</u>	<u>\$ 924,250.00</u>	<u>\$ 748,600.00</u>
							\$	\$ 175,650.00	
							<u>748,600.00</u>	<u>748,600.00</u>	
							<u>\$ 748,600.00</u>	<u>\$ 924,250.00</u>	

Paid by Budget Appropriation
Renewals

TOWNSHIP OF COMMERCIAL
GENERAL CAPITAL FUND
Statement of Bonds and Notes Authorized but Not Issued
For the Year Ended December 31, 2022

Ordinance No.	Improvement Description	2022 Authorizations	Balance Dec. 31, 2022
22-612	Local Freight Impact Fund Port Norris Riverfront Improvement Phase 3	\$ 1,300,000.00	\$ 1,300,000.00

TOWNSHIP OF COMMERCIAL
PART II
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE YEAR ENDED DECEMBER 31, 2022

TOWNSHIP OF COMMERCIAL
Schedule of Findings and Recommendations
For the Year Ended December 31, 2022

Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements related to financial statements for which *Government Auditing Standards* and audit requirements as prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, requires.

None.

TOWNSHIP OF COMMERCIAL
Summary Schedule of Prior Year Audit Findings
and Questioned Costs as Prepared by Management

This section identifies the status of prior year findings related to the financial statements and Federal Awards and State Financial Assistance that are required to be reported in accordance with *Government Auditing Standards*, the Uniform Guidance, and State of New Jersey Circular 15-08-OMB.

FINANCIAL STATEMENT FINDINGS

No prior year findings.

FEDERAL AWARDS

Not applicable.

STATE FINANCIAL ASSISTANCE PROGRAMS

No prior year findings.

TOWNSHIP OF COMMERCIAL
Officials in Office and Surety Bonds

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Amount of Surety Bond</u>
Warren (Mike) Vizzard	Mayor	
Fletcher Jamison	Deputy Mayor	
Joseph Klaudi	Committee Member	
Pamela J. Humphries	Chief Financial Officer/Qualified Purchasing Agent	(*)
Heather Miller	Township Clerk/Registrar of Vital Statistics	(*)
Gabrielle Horseman	Deputy Clerk/Deputy Registrar of Vital Statistics	(*)
Brian Rosenberger	Tax Assessor	(*)
Leslie A. Kraus	Tax Collector	(*)
William White	Construction Official	(*)
Stephen M. DeSario	Code Enforcement Official	(*)
Stefanie Muessig	Construction/Housing Technical Assistant	(*)
Remington & Vernick Engineers	Township Engineer	
Thomas Seeley, Esq.	Township Solicitor	

Designated individuals so marked (*) were covered by \$1,000,000 in total surety bond coverage, including a blanket crime policy of \$50,000 with a \$1,000 deductible through Atlantic County Municipal Joint Insurance Fund and \$950,000 of excess crime coverage through Municipal Excess Liability Joint Insurance Fund.

All of the bonds were examined and were properly executed.

APPRECIATION

I express my appreciation for the assistance and courtesies rendered by the Township officials during the course of the audit.

Respectfully submitted,

Bowman & Company LLP

BOWMAN & COMPANY LLP
Certified Public Accountants
& Consultants

Carol A. McAllister

Carol A. McAllister
Certified Public Accountant
Registered Municipal Accountant